

Achieve Your Retirement Goals with Principal MPF Preserved Account



(Applicable to the Preserved Account members of Principal MPF Scheme Series 800)

Important Notes:

1. Principal MPF Scheme Series 800 ("**Scheme**") is an MPF Scheme.
2. Each of the Principal Capital Guaranteed Fund and the Principal Long Term Guaranteed Fund under this Scheme invests solely in an approved pooled investment fund in the form of an insurance policy issued by Principal Insurance Company (Hong Kong) Limited ("**Principal**"). The guarantee is also provided by Principal. Your investments in the Principal Capital Guaranteed Fund and the Principal Long Term Guaranteed Fund, if any, are therefore subject to the credit risk of Principal. Please refer to the "Principal Capital Guaranteed Fund" and "Principal Long Term Guaranteed Fund" sections of the Principal Brochure of the Scheme for details of the credit risk, guaranteed features and guarantee conditions.
3. Principal, the Guarantor of the Principal Long Term Guaranteed Fund under this Scheme, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please refer to the section "Provision of Guarantee" of the Principal Brochure for details of the guarantee conditions.
4. Principal, the Guarantor of the Principal Capital Guaranteed Fund under this Scheme, will provide a guarantee to ensure the unit value of the fund will never decrease. Prior to 30 December 2011, under the indirect charge option (i.e. Class I Units after 30 December 2011), part of the management fee is asset based which is deducted from the net asset value of the fund, while the remaining part is payable by deducting units from member's account. As such, capital may not be guaranteed in absolute term for scheme members under the indirect charge option before 30 December 2011. For details, please refer to the sections "How the guarantee works" and "Fees and Charges" of the Principal Brochure of the Scheme.
5. Investment in the Principal HK Dollar Savings Fund is different from placing deposits with a bank or deposit-taking company and is not protected by the Deposit Protection Scheme. Investment in this Fund will be subject to investment risks.
6. The Principal MPF Conservative Fund under this Scheme is not a guaranteed fund and does not guarantee the repayment of capital. Fees and charges of MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. This Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
7. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you, taking into account your own circumstances.
8. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the Principal HK Dollar Savings Fund, and such fund may not necessarily be a suitable investment for you.
9. Investment involves risks. The value of the funds may go up and down. You should not invest in reliance on this marketing material alone. You should read the Principal Brochure of the Scheme for further details (including investment policy, risk factors, fee and charges of the constituent funds).

What is Preserved Account?

A preserved account is an account in which your accrued benefits in respect of your former employment or self-employment are held. New contributions are generally not accepted. For easy management, you can consolidate your multiple preserved accounts into one.

With Principal MPF Preserved Account, you can enjoy a flexible, affordable and convenient way which may help you reach your retirement goals.

Why Principal MPF Preserved Account?

Comprehensive & Diversified Investment Options – With solid experience in investment management, we offer diversified investment options, providing different characteristics and risk levels to meet different investment objectives and retirement needs of members.

Pension Specialists – Our experienced pension specialists possess high level of technical know-how in managing/administering pension schemes, and are committed to helping members select the right approach to achieve your financial goals.

Reliable Administration and Quality Customer Services – Our sophisticated administrative and advanced I.T. systems are designed to accommodate your unique personal requirements, while remaining flexible enough to change with you. Besides, we also provide excellent customer services to members and they can take advantage of them to manage their MPF accounts efficiently.

Convenient Information Access – Members can obtain their individual account information conveniently through the round-the-clock Principal TeleTouch® interactive voice response system or internet-based Principal Retirement Services Centre. With these, members can access their account balances, daily fund price, investment performance and even switch funds anytime and anywhere. In addition, by registering the Principal e-Channel Service, members will enjoy a wide array of free services including regular pension account balance update, updated information on Principal products and services as well as member benefits via e-mail and SMS.

How To Make A Transfer?

Transfer your accrued benefits to Principal MPF Preserved Account by completing and returning the Preserved Member Application Form and/or the Fund Transfer Form to Principal. The form can be downloaded at www.principal.com.hk

**For details of Principal MPF Preserved Account,
please call our Customer Service Hotline: (852) 2827 1233
or visit our website www.principal.com.hk**

Delightful Rewards

Effective from 1 October 2011, as an MPF Preserved Account member with Principal, you would have a chance to enjoy delightful surprises.

All capitalized terms in Reward 1 and Reward 2 below shall have the meaning as given to them in the Terms and Conditions attached herewith.

Reward 1

Customers would have an opportunity to enjoy management fee offer ("**Effective Fee**", please refer to the table below for details) by way of quarterly bonus unit credit if the account balances of their Principal MPF Preserved Accounts are maintained at the requisite amount as at the Specific Cut-off Dates, subject to the other qualifying Terms and Conditions attached herewith being met.

Credit Balance of Principal MPF Preserved Account (HK\$)	Applicable Effective Fee for Preserved Account (% p.a. of NAV)		
	Below \$30,000	\$30,000 – below \$100,000	\$100,000 or above
Name of Constituent Fund			
Principal Asian Equity Fund Principal China Equity Fund Principal Hong Kong Equity Fund Principal International Equity Fund Principal US Equity Fund	1.65%	1.40%	1.30%
Principal Global Growth Fund Principal Long Term Accumulation Fund Principal Stable Yield Fund Principal International Bond Fund	1.49%		
Principal Long Term Guaranteed Fund		2.00%	
Principal Capital Guaranteed Fund		1.40%	
Principal HK Dollar Savings Fund		1.25%	
Principal Hong Kong Bond Fund		0.99%	
Principal MPF Conservative Fund		0.95%	
Principal Hang Seng Index Tracking Fund*		0.89%	

*The management fee is referring to the management fee charged at the Constituent Fund level.

Reward 2

Customers who have successfully transferred their accrued benefits (minimum HK\$50,000) to a Principal MPF Preserved Account and remained there for **at least 3 months** would have an opportunity to receive one-off bonus units worth up to HK\$500, subject to the other qualifying Terms and Conditions attached herewith being met. Please refer to the following table for details of the requisite amount and the value of bonus units:

Requisite Amount (HK\$)	Value of Bonus Units Entitlement (HK\$)
\$50,000 – below \$100,000	\$100
\$100,000 – below \$150,000	\$200
\$150,000 – below \$200,000	\$300
\$200,000 – below \$250,000	\$400
\$250,000 or above	\$500

Terms and Conditions:

Reward 1:

1. This reward is applicable to Preserved Account Members of the Principal MPF Scheme Series 800 ("**Scheme**"). However, it is not applicable to those Preserved Account Members who were previously members of the Principal MPF Scheme Series B300.
2. In determining whether a Preserved Account Member is entitled to bonus units for a Calendar Quarter, Principal will take account of whether the Member has any balance standing to the credit of his/her Preserved Account ("**Credit Balance**") as at the Specific Cut-off Date pertinent to that Calendar Quarter. If there is none, then he/she will not be entitled to bonus units.
3. If a Member has Credit Balance in his/her Preserved Account as at the Specific Cut-off Date pertinent to a Calendar Quarter, the Effective Fee for Preserved Account applicable to each of the constituent funds in which he/she invests will be determined by reference to the amount of his/her Preserved Account's Credit Balance as at that cut-off date.
4. The value of bonus units that a Member is entitled to receive for a Calendar Quarter is determined and calculated as follows:
 - (a) If the Member invests in only one constituent fund, multiply the applicable bonus unit credit rate (as defined in (5) below) by (i) the amount of his/her Credit Balance in his/her Preserved Account as at the Specific Cut-off Date of that Calendar Quarter; and (ii) the number of months in that quarter that he/she has Credit Balance in his/her Preserved Account, and then divide the product by 12.
 - (b) If the Member invests in more than one constituent fund, the calculation process set out in (a) will be performed for each of those constituent funds. The aggregate value of bonus units that the Member is entitled to receive is therefore equal to the sum of the value of bonus units for each of the constituent funds.
5. The applicable bonus unit credit rate in respect of a constituent fund in which a Member invests equals the Standard Management Fee minus the Effective Fee for Preserved Account applicable to that constituent fund.
6. The value of the bonus units for each of the constituent funds that a Member invests (calculated in accordance with (4) above) will be used to subscribe for units of the constituent funds on that Specific Cut-off Date. Such units will be credited to the corresponding sub-accounts of the Member's Preserved Account for each of those constituent funds on that Specific Cut-off Date.
7. In the event of any subsequent changes being made to the Standard Management Fee of the constituent funds, the Effective Fee for Preserved Account applicable to a Member shall remain unchanged.
8. For the avoidance of doubt, if a Member has submitted a written request to Principal to transfer or withdraw his/her entire Credit Balance on or before the Specific Cut-off Date, the Member shall NOT be entitled to bonus units under this reward even though he/she has Credit Balance as at the Specific Cut-off Date.
9. Definitions:
 - (a) Calendar Quarter means any one of the following time periods during a given year: January 1 through March 31, April 1 through June 30, July 1 through September 30, or October 1 through December 31.
 - (b) Specific Cut-off Date for a Calendar Quarter means the 25th of the last month of that Calendar Quarter (i.e. March 25, June 25, September 25 or December 25). If that day is not a business day, the Specific Cut-off Date will be the immediately preceding business day; and if a black rainstorm or typhoon no. 8 signal or above is hoisted on that day and hence business is closed on the whole of that day, the Specific Cut-off Date will be the immediately following business day.
 - (c) Standard Management Fee means the management fees of the constituent funds under the Scheme as disclosed in the "Fees and Charges" section of the Principal Brochure and Addendum (if any) of the Scheme.

Reward 2:

1. This reward is applicable to new/existing Preserved Account Members of the Scheme.
2. New/existing customers who have transferred the requisite amount in one lump sum from the other MPF service providers to their existing Preserved Account under the Scheme or existing Principal MPF Scheme terminated employee members/terminated self-employed members who have transferred their accrued benefits of the requisite amount in one lump sum to a Preserved Account under the Scheme with a valid "Fund Transfer Form" are entitled to bonus units under this reward. Please refer to the table above for details of the requisite amount and the bonus units entitlement.
3. The maximum entitlement is capped at bonus units with a value of HK\$500 for each transfer made by an eligible Member to Principal.
4. After Principal has received the requisite amount from a Member and such amount has remained in the Member's Preserved Account for at least 3 months ("**3-month Period**"), the value of bonus units that the Member is entitled to receive will be used to subscribe for units of the Principal HK Dollar Savings Fund which is attributable to the Member's mandatory contribution on the 25th of the month immediately following the Calendar Quarter in which the date of expiry of the 3-month Period falls ("**Unit Credit Date**").
5. Bonus units as per (4) above will be credited on the Unit Credit Date. If that day is not a business day, bonus units will be credited on the immediately preceding business day; and if a black rainstorm or typhoon no. 8 signal or above is hoisted on that day and hence business is closed on the whole of that day, bonus units will be credited on the immediately following business day.
6. For the avoidance of doubt, if a Member has submitted a written request to Principal to transfer or withdraw his/her account balance, in whole or in part, from his/her Preserved Account under the Scheme on or before the Unit Credit Date, the Member shall NOT be entitled to bonus units under this reward.

General:

1. This promotional offer cannot be enjoyed in conjunction with any other bonus units promotional programs for Preserved Account under the Scheme.
2. If a Member has more than one Preserved Account under the Scheme, each of those Preserved Accounts will be considered independently when determining bonus units entitlement under both rewards.
3. This promotional offer may be withdrawn or the details of which may be changed by Principal at its sole and absolute discretion by giving 3 months' prior notice via selected customer communication channels, including but not limited to newsletters and/or company website.
4. In case of any disputes, the decision of Principal shall be final.

Issuer of this material: Principal Insurance Company (Hong Kong) Limited

Date of publication: 1 February 2012