

Principal Enhances Flagship MPF Scheme by Scheme Merge with New Funds & Fee Reduction

1. 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 the Principal HK Dollar Savings Fund will be subject to investment risks.
2. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the Constituent Fund or (ii) members' account by way of unit deduction. This Principal MPF Conservative Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
3. You should consider your own risk tolerance level and financial circumstances before investing in DIS. You should note that the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund may not be suitable for you, and there may be a risk mismatch between the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.
4. You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. You should consult with the Trustee if you have doubts on how you are being affected.
5. You should consider your own risk tolerance level and financial circumstances before making any investment choices. In your selection of Constituent Fund(s), you are in doubt as to whether a certain Constituent 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 Constituent Fund(s) most suitable for you, taking into account your own circumstances.
6. Investment involves risks. The value of the funds may go up or down. The past performance is not indicative of future performance. Your investment may suffer significant loss. There is no assurance on investment returns and you may not get back the amount originally invested.
7. You should not invest in reliance on this document alone. You should read the relevant MPF Scheme Brochure for further details (including investment policy, risk factors, fee and charges of the Constituent Funds).

Hong Kong, August 20, 2020

Principal Trust Company (Asia) Limited announced today the merger of the Principal MPF Scheme Series 800 (“S800”) and Principal MPF Scheme Series 600 (“S600”) which will take effect on 22 October, 2020. During the merger two new constituent funds will be established and the management fees of certain Constituent Funds will be reduced.

All participating members of S800 & S600 are free to choose the two new constituent funds - Principal Aggressive Strategy Fund and Principal Asian Bond Fund, among the 19 funds under S800. 11 out of 19 funds will lower their management fees by 2.7% to 13.5% (details of the fee reduction are shown below). Having a wider and more diversified choice of funds and comprehensive fee reduction will benefit members in terms of portfolio diversification and cost-saving, which help them invest more and prepare better for their retirement in the long run.

“This large-scale product enhancement illustrates our on-going dedication toward increasing investment returns for our members and helping them reach their retirement goals. It involves 380,000 members with AUM of HK\$31 billion. It’s our sixth fee reduction since 2000,” said Mr. Dave Ashton, CEO of Principal Trust Company (Asia) Limited. “MPF has always been a key component of everyone’s retirement plan. That’s why we continue to focus on improving our MPF products to help members achieve their long-term saving goals. We are dedicated to providing retirement solutions that best suit our clients for building life-long financial security. Going forward, in the digital era, we will continue to optimize customer experience and enhance our digital capabilities to meet clients’ evolving investment needs.” Details of the fee reduction are as follows:

Principal MPF Scheme Series 800

Constituent Fund		Class of Units	Current Fee		<u>New Fee</u>	Reduction Rate
			S600	S800	<u>S800</u>	
1.	Principal HK Dollars Saving Fund	Class D	0.95%	0.99%	<u>0.95%</u>	4.0%
2.	Principal Asian Bond Fund*	Class N	0.99%	N/A	<u>0.94%</u>	5.1%
3.	Principal Stable Yield Fund	Class I	1.49%	1.49%	<u>1.45%</u>	2.7%
4.	Principal Long Term Accumulation Fund	Class I	1.49%	1.49%	<u>1.45%</u>	2.7%
5.	Principal Global Growth Fund	Class I	1.49%	1.49%	<u>1.45%</u>	2.7%
6.	Principal Aggressive Strategy Fund*	Class I	1.49%	N/A	<u>1.45%</u>	2.7%
7.	Principal International Equity Fund	Class I	N/A	1.59%	<u>1.44%</u>	9.4%
8.	Principal US Equity Fund	Class I	N/A	1.59%	<u>1.44%</u>	9.4%
9.	Principal Asian Equity Fund	Class I	N/A	1.59%	<u>1.44%</u>	9.4%
10.	Principal China Equity Fund	Class I	N/A	1.59%	<u>1.44%</u>	9.4%
11.	Principal Hang Seng Index Tracking Fund	Class N	0.89%	0.89%	<u>0.77%</u>	13.5%

*New constituent funds added to S800 after scheme merger.

About Principal®

In Hong Kong, we are a provider of investment and retirement solutions. Our member companies, including Principal Trust Company (Asia) Limited, Principal Investment & Retirement Services Limited and Principal Asset Management Company (Asia) Limited, combine our capabilities in global investment management, retirement leadership and asset allocation expertise to provide retirement and asset management services as well as award-winning mutual funds and investment products to businesses, individuals and institutional investors. All the above companies are member companies of the Principal Financial Group®.

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