

Annual Report and Audited Financial Statements

PRINCIPAL MPF SCHEME SERIES 800

31 December 2024



## PRINCIPAL MPF SCHEME SERIES 800

### CONTENTS

	Pages
DIRECTORY OF PARTIES	1
MANAGER'S REPORT	2 - 5
INVESTMENT REPORT	6 - 108
SCHEME REPORT	109 - 113
INDEPENDENT AUDITOR'S REPORT	114 - 116
AUDITED FINANCIAL STATEMENTS	
Statement of profit or loss and other comprehensive income	117 - 120
Statement of net assets available for benefits	121 - 128
Statement of changes in net assets available for benefits	129 - 130
Statement of cash flows	131
Notes to financial statements	132 - 178
INDEPENDENT AUDITOR'S ASSURANCE REPORT	179 - 181

## PRINCIPAL MPF SCHEME SERIES 800

### DIRECTORY OF PARTIES

#### **Trustee and Administrator**

Principal Trust Company (Asia) Limited  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

#### **Sponsor**

Principal Insurance Company (Hong Kong) Limited  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

#### **Investment Manager**

Principal Asset Management Company (Asia) Limited  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

#### **Custodian**

Citibank, N.A.  
50/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong

#### **Legal Advisor**

Baker & McKenzie  
14/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

#### **Auditor**

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

MANAGER'S REPORT

**Global**

*Performance Overview*

A year-end article recently posted by the Wall Street Journal featured the headline “Stocks Cap Best Two Years in a Quarter-Century,” referring to 2023 and 2024 being the best back-to-back calendar year showings for the S&P 500 since 1997 and 1998. It further noted that the past year featured 57 new record highs for the U.S. bellwether index. While those stats are certainly impressive, the headlines are not fully representative of the broader market, especially from a global perspective.

In terms of market breadth -- the diversity of participation across sectors, capitalization ranges and geographies -- results for the quarter were anemic, and once again dominated by mega-cap growth companies with high AI involvement/ambitions (aka “Magnificent 7”). This was a disappointing reversal from the prior quarter where smaller capitalization stocks and several international markets demonstrated encouraging outperformance versus U.S. large caps. Although domestic small and mid-cap stocks surged ahead in the month following the decisive reelection of Donald Trump, they slumped sharply in the final weeks of the year, finishing the quarter relatively flat. Meanwhile, the largest mega-cap growth stocks reasserted their dominance. Even within the S&P 500, the average stock measured on an equal-weighted basis, declined slightly during the quarter. Similarly, market conditions outside the U.S. were broadly disappointing during the quarter. This largely reflected anticipated tariffs and other protectionist policies by the incoming Trump administration, fueling a surge in the value of the U.S. dollar relative to virtually all major freely exchangeable currencies.

Notably, the Euro and British Pound both slipped about 7%, and the Japanese Yen shed 9%, while many emerging markets currencies fared even worse. Even countries that delivered robust returns in their local markets, such as Japan and Taiwan, saw offsetting currency declines. Countries facing internal political and fiscal upheaval at home fared the worst (both before and after adjusting for currency values), most notably including France, Mexico, Brazil, and South Korea. In aggregate, the MSCI All Country World Index declined 0.9% for the quarter in U.S. dollar terms, with MSCI Europe down 9.7%, MSCI Japan down 3.6% and MSCI Emerging Markets down 7.8%. Amid this latest episode of divergent performance, the U.S. weight in global market indexes increased to represent over two-thirds of total worldwide tradable market capitalization. For perspective, this marks a 24% expansion in the U.S. weight over the past 15 years. Importantly, while the historic strength of the U.S. dollar has hampered international stock returns for U.S. based investors, it could increasingly become a major headwind to the global competitiveness for many U.S. multinational companies. This practical reality may also serve to temper the scope and magnitude of protectionist trade policies looking ahead.

## Asia

### *Performance review*

Global equity markets declined in the fourth quarter as investors looked to take profits from the strong gains overall from the year. Using the MSCI All Country World Index (USD) as a proxy, global equities lost 0.9% during the quarter, with developed markets outperforming emerging markets, down 0.1% vs. down 8.0%. Following the re-election of Donald Trump, international and emerging markets were under pressure on the back of a rising U.S. dollar, potential trade tariff expansion, and expectations for stronger U.S. growth. Further amplifying the negative sentiment in emerging markets was domestic challenges in the Latin America region, China, and Korea after President Yoon was impeached. The dollar saw broad-based strength against international currencies post U.S.-election results. Both developed and emerging markets currencies saw large declines. Asian currencies fared the best, falling between 3-5% on average, however the Korean won declined 11.3% following the surprise impeachment. The Asia Pacific ex-Japan Index lost 8.2% during the quarter, underperforming the broader MSCI Emerging Markets Index which declined 8.0%. Within Asia Pacific markets, the only markets with positive performance were Taiwan and Singapore, up 3.3% and 0.6%, respectively while South Korea, the Philippines, and Australia fared the worst, down 19.2%, 13.9%, and 11.4%, respectively. Information technology was the only sector up during the quarter while materials, energy, and consumer staples were the worst performing.

In Asia, we expect growth impetus to be contained given the US rates outlook and in the face of measured but not forceful stimulus from China. Although China investment credit space spreads have received support from both onshore and offshore participants, potential changes in the geopolitical landscape in 2025 will impact outlook. Rest of Asia faces mixed prospects in 2025 but largely hinging on the monetary policy space accorded by the Fed's easing cycle. While valuations are historically tight, we expect investment grade spreads to be stable relatively stable as we expect the slowdown to be manageable. A scenario of weakening growth and declining risk-free rates may be supportive of technicals if investors intend to lock in the higher yields. Although we are constructive on credit in the medium term, we are cognizant of the risks and volatility emanating from further geopolitical tensions, uncertainty with the new administration taking over charge and potential upside risks of inflation and fiscal concerns, we continue to maintain carry in the portfolios without reaching out to the lowest spectrum in the Asia IG space.

## **Hong Kong and China**

### ***Performance Review***

China's economics activities were stabilized in the fourth quarter. Official Manufacturing PMI slightly decreased to 50.1 in December from 50.3 in November. Industrial production growth was 5.4% in November vs. 5.3% in October. Exports growth was 5.8% yoy in November vs. 11.8% in October, and imports growth was -4.7% in November vs -3.7% in October. Retail sales growth was 3.0% in November, below consensus estimates, which was 5.0%. Total social financing was RMB29400bn year-to-date, below consensus estimates. Investors got excited on the government's pro-growth gesture. However, Reality showed that it would take a while before stimulus kicks in. Also, the CEWC signaled that the government wait-and-see attitude toward economic stimulus has not changed fundamentally.

Hong Kong's economics activities were stabilized towards the end of the quarter. Hong Kong S&P Global PMI slightly decreased to 51.1 in December from 51.2 in November. Export growth decelerated to 2.1% in November vs. 3.5% in October, and import growth was 5.7% vs. 4.5% in October. Official CPI was 1.4% in August, below estimates. Retail sales growth was -7.3% in terms of value and -8.3% in terms of volume, both below estimates. Hong Kong's economy is recovering but still facing some headwind due to challenging economic outlook both domestically and globally, thus we retain a neutral position in Hong Kong companies. Investors got excited on the government's pro-growth gesture. However, Reality showed that it would take a while before stimulus kicks in. We will continue to monitor the actual fiscal support provided from the government and how it will help economy recovery.

**US**

***Performance Review***

Consumer Discretionary and Communication Services led the way sector wise, with Materials and Health Care lagging. This was consistent with global sector performance, as the latter saw double digit declines, reflecting their anemic earnings and heightened sensitivity to policy uncertainty.

In terms of market breadth, results for the quarter were anemic, and once again dominated by mega-cap growth companies with high AI involvement/ambitions (aka “Magnificent 7”). This was a disappointing reversal from the prior quarter where smaller capitalization stocks demonstrated encouraging outperformance versus U.S. large caps.

Although domestic small and mid-cap stocks roared ahead in the month following the decisive re-election of Donald Trump, they slumped sharply in the final weeks of the year, finishing the quarter relatively flat. Meanwhile the largest mega-cap growth stocks reasserted their dominance. Even within the S&P 500, the average stock measured on an equal-weighted basis, declined slightly during the quarter.

Interest rate dynamics also contributed to the disparity of returns in the quarter. As widely anticipated, but also hotly debated, the Federal Reserve implemented two additional 0.25% policy rate cuts during the quarter, leaving the effective Fed Funds rate in the target range of 4.25% to 4.50%. As a result, interest sensitive sectors such as REITs, Utilities, and Infrastructure stocks saw deep reversals from the outsized returns they enjoyed in the prior quarter.

For and on behalf of  
**Principal Asset Management Company (Asia) Limited**

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

Hong Kong  
30 June 2025

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT

### Investment portfolio

Constituent Funds	*Units	2024		% of net asset value
		Cost HK\$	Fair value HK\$	
<b>Principal Age 65 Plus Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Age 65 Plus Fund	252,574,381.7328	2,919,938,126	3,148,036,579	100.05
<b>Principal Aggressive Strategy Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Aggressive Strategy Fund	39,966,232.6794	1,096,905,382	1,216,608,092	100.17
<b>Principal Asian Bond Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Asian Bond Fund	22,232,339.2146	217,294,549	223,108,194	100.01
<b>Principal Asian Equity Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Asian Equity Fund	96,616,010.3316	3,217,106,268	3,739,802,866	100.18
<b>**Principal Capital Guaranteed Fund</b>				
– Holdings in Principal Guaranteed Umbrella Fund				
– Principal Capital Guaranteed Fund	-	-	-	-
<b>Principal Core Accumulation Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Core Accumulation Fund	225,593,451.8539	3,242,804,517	3,706,838,804	100.14
<b>Principal MPF Conservative Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Asset Accumulation Fund	334,477,213.6545	5,384,956,412	5,678,152,074	99.98
<b>Principal China Equity Fund</b>				
– Holdings in Principal Life Style Fund				
– Principal China Equity Fund – Pension Class	165,749,234.6669	3,003,167,623	2,680,496,623	100.16
<b>Principal Global Growth Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Global Growth Fund	130,920,619.3991	3,471,568,004	3,958,974,070	100.12
<b>Principal Hang Seng Index Tracking Fund</b>				
– Holdings in Tracker Fund of Hong Kong	87,638,000.0000	2,010,800,317	1,775,545,880	99.87
<b>Principal Hong Kong Bond Fund</b>				
– Holdings in Principal Life Style Fund				
– Principal Hong Kong Bond Fund - Pension Class	45,301,113.6562	578,682,489	611,637,516	100.12
<b>Principal HK Dollar Savings Fund</b>				
– Holdings in Principal Life Style Fund				
– Principal Hong Kong Dollar Savings Fund – Pension Class	149,917,000.4291	2,172,620,431	2,304,224,297	100.06

\* The value of each holding as a percentage of the total net asset value is accounted for on the trade day.

\*\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.



# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Investment portfolio (continued)

<i>Constituent Funds</i>	2024 (continued)			
	<i>*Units</i>	<i>Cost HK\$</i>	<i>Fair value HK\$</i>	<i>% of net asset value</i>
<b>Principal Hong Kong Equity Fund</b>				
– Holdings in Principal Life Style Fund				
– Principal Hong Kong Equity Fund – Pension Class	87,557,851.5041	3,488,883,149	3,262,773,290	100.15
<b>Principal International Bond Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal International Bond Fund	52,751,876.6863	1,230,535,902	1,177,738,399	100.23
<b>Principal International Equity Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal International Equity Fund	45,733,979.4075	1,953,495,043	2,578,929,952	100.11
<b>Principal Long Term Accumulation Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Long Term Accumulation Fund	53,491,168.2399	1,766,273,075	1,931,218,393	100.17
<b>**Principal Long Term Guaranteed Fund</b>				
– Holdings in Principal Guaranteed Umbrella Fund				
– Principal Long Term Guaranteed Fund	-	-	-	-
<b>Principal Stable Yield Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal Stable Yield Fund	108,350,904.9361	2,032,182,691	2,085,224,001	100.17
<b>Principal US Equity Fund</b>				
– Holdings in Principal Unit Trust Umbrella Fund				
– Principal U.S. Equity Fund	68,631,947.7435	4,348,858,463	5,908,263,580	100.04

\* The value of each holding as a percentage of the total net asset value is accounted for on the trade day.

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Statement of movements in portfolio holdings

	<i>% of net assets as at 31 December 2024</i>	<i>% of net assets as at 31 December 2023</i>
<i>Constituent Funds</i>		
<b>Principal Age 65 Plus Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Age 65 Plus Fund	100.05	100.16
<b>Principal Aggressive Strategy Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Aggressive Strategy Fund	100.17	100.19
<b>Principal Asian Bond Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Asian Bond Fund	100.01	100.60
<b>Principal Asian Equity Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Asian Equity Fund	100.18	100.18
<b>*Principal Capital Guaranteed Fund</b>		
– Holdings in Principal Guaranteed Umbrella Fund		
– Principal Capital Guaranteed Fund	-	-
<b>Principal Core Accumulation Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Core Accumulation Fund	100.14	100.11
<b>Principal MPF Conservative Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Asset Accumulation Fund	99.98	99.95
<b>Principal China Equity Fund</b>		
– Holdings in Principal Life Style Fund		
– Principal China Equity Fund - Pension Class	100.16	100.15
<b>Principal Global Growth Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Global Growth Fund	100.12	100.17
<b>Principal Hang Seng Index Tracking Fund</b>		
– Holdings in Tracker Fund of Hong Kong	99.87	100.11
<b>Principal Hong Kong Bond Fund</b>		
– Holdings in Principal Life Style Fund		
– Principal Hong Kong Bond Fund - Pension Class	100.12	100.12
<b>Principal HK Dollar Savings Fund</b>		
– Holdings in Principal Life Style Fund		
– Principal Hong Kong Dollar Savings Fund - Pension Class	100.06	99.76

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Statement of movements in portfolio holdings (continued)

	<i>% of net assets as at 31 December 2024</i>	<i>% of net assets as at 31 December 2023</i>
<i>Constituent Funds</i>		
<b>Principal Hong Kong Equity Fund</b>		
– Holdings in Principal Life Style Fund		
– Principal Hong Kong Equity Fund - Pension Class	100.15	100.27
<b>Principal International Bond Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal International Bond Fund	100.23	100.01
<b>Principal International Equity Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal International Equity Fund	100.11	100.14
<b>Principal Long Term Accumulation Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Long Term Accumulation Fund	100.17	100.16
<b>*Principal Long Term Guaranteed Fund</b>		
– Holdings in Principal Guaranteed Umbrella Fund		
– Principal Long Term Guaranteed Fund	-	-
<b>Principal Stable Yield Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal Stable Yield Fund	100.17	100.10
<b>Principal US Equity Fund</b>		
– Holdings in Principal Unit Trust Umbrella Fund		
– Principal U.S. Equity Fund	100.04	100.02

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Investment income and performance

	2024																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Investment performance																			
Net gains/(losses) on investments - realised	58,877,365	20,067,779	2,401,254	108,548,444	-	129,217,707	98,267,185	(216,511,602)	85,162,942	(86,390,189)	8,981,685	66,225,704	(190,432,782)	(10,987,465)	177,877,201	31,477,649	-	16,105,740	464,897,090
Net change in unrealised gains/(losses) on investments	<u>58,773,526</u>	<u>117,411,929</u>	<u>4,230,160</u>	<u>291,140,090</u>	<u>-</u>	<u>172,190,776</u>	<u>142,550,584</u>	<u>639,550,186</u>	<u>253,481,130</u>	<u>364,294,563</u>	<u>14,557,608</u>	<u>37,997,829</u>	<u>666,799,700</u>	<u>(20,035,725)</u>	<u>100,965,265</u>	<u>75,166,784</u>	<u>-</u>	<u>39,724,057</u>	<u>634,476,624</u>

\*These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

	2023																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Investment performance																			
Net (losses)/gains on investments - realised	(4,216,191)	(7,876,315)	(2,507,823)	21,582,137	182,757,685	27,392,271	38,864,073	(186,429,637)	21,365,225	(53,060,426)	(1,615,517)	26,414,969	(169,534,572)	(23,537,275)	71,769,824	3,889,482	136,944,939	(16,349,437)	145,448,252
Net change in unrealised gains/(losses) on investments	<u>238,685,202</u>	<u>101,417,141</u>	<u>14,400,166</u>	<u>199,235,786</u>	<u>(129,680,725)</u>	<u>352,663,012</u>	<u>105,490,020</u>	<u>(220,143,469)</u>	<u>280,085,519</u>	<u>(181,592,426)</u>	<u>42,937,188</u>	<u>76,364,791</u>	<u>(226,998,714)</u>	<u>91,208,465</u>	<u>372,378,928</u>	<u>139,553,606</u>	<u>(89,307,387)</u>	<u>160,308,875</u>	<u>753,032,252</u>

\*These Constituent Funds were terminated on 26 October 2023.

	2022																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Investment performance																			
Net (losses)/gains on investments - realised	(11,020,008)	(5,505,572)	(4,163,519)	35,597,332	23,095,006	12,421,531	11,637,673	(164,809,917)	15,699,935	(48,805,499)	(4,016,040)	8,156,423	(180,891,272)	(25,668,169)	63,710,506	4,451,885	13,793,003	(19,248,636)	146,159,632
Net change in unrealised gains/(losses) on investments	<u>(122,816,602)</u>	<u>(231,296,384)</u>	<u>(14,096,136)</u>	<u>(835,559,353)</u>	<u>12,876,554</u>	<u>(411,857,447)</u>	<u>24,722,927</u>	<u>(776,162,950)</u>	<u>(796,983,735)</u>	<u>(207,056,278)</u>	<u>(48,488,268)</u>	<u>(13,316,671)</u>	<u>(603,674,732)</u>	<u>(155,442,073)</u>	<u>(523,225,254)</u>	<u>(381,952,794)</u>	<u>(238,889,917)</u>	<u>(342,328,907)</u>	<u>(898,398,732)</u>

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Investment income and performance (continued)

Income derived from investments	2024																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Distribution income	-	-	-	-	-	-	-	-	-	66,495,275	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	66	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	609,421	-	-	-	-	-	-	-	-	-

\*These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

	2023																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Income derived from investments																			
Distribution income	-	-	-	-	-	-	-	-	-	57,463,275	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	85	-	-	-	-	-	-	-	-	-
Other income	2,893	4,605	-	2,723	1,397,345	11,609	-	61,482	11,314	14,353	19,923	8,448	30,339	5,997	9,420	8,564	24,456	8,762	32,043

\*These Constituent Funds were terminated on 26 October 2023.

	2022																		
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Income derived from investments																			
Distribution income	-	-	-	-	-	-	-	-	-	52,941,640	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	52	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	6,781,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Performance table

#### Investment record as at 31 December 2024

	Net asset value per unit			Total net asset value HK\$
	Class D HK\$	Class I HK\$	Class N HK\$	
Principal Age 65 Plus Fund	-	-	11.6761	3,146,495,268
Principal Aggressive Strategy Fund	26.3109	25.8788	-	1,214,510,465
Principal Asian Bond Fund	-	-	9.6588	223,090,868
Principal Asian Equity Fund	47.1157	45.0189	-	3,732,933,268
Principal Capital Guaranteed Fund#	-	-	-	-
Principal Core Accumulation Fund	-	-	15.3759	3,701,700,322
Principal MPF Conservative Fund	-	-	12.3424	5,679,130,940
Principal China Equity Fund	12.2589	11.7123	-	2,676,144,815
Principal Global Growth Fund	27.5033	26.7062	-	3,954,174,973
Principal Hang Seng Index Tracking Fund	-	-	12.7032	1,777,787,229
Principal Hong Kong Bond Fund	-	-	11.5380	610,905,342
Principal HK Dollar Savings Fund	12.0297	11.9556	-	2,302,861,670
Principal Hong Kong Equity Fund	22.2063	21.7033	-	3,257,800,664
Principal International Bond Fund	15.5303	15.3618	-	1,175,045,844
Principal International Equity Fund	27.6669	26.4406	-	2,576,217,691
Principal Long Term Accumulation Fund	20.9242	20.3178	-	1,927,949,240
Principal Long Term Guaranteed Fund#	-	-	-	-
Principal Stable Yield Fund	18.3114	17.7826	-	2,081,720,112
Principal US Equity Fund	35.6636	34.0896	-	5,905,665,128

# These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

#### Investment record as at 31 December 2023

	Net asset value per unit			Total net asset value HK\$
	Class D HK\$	Class I HK\$	Class N HK\$	
Principal Age 65 Plus Fund	-	-	11.3384	3,116,302,171
Principal Aggressive Strategy Fund	23.7445	23.4016	-	1,139,404,156
Principal Asian Bond Fund	-	-	9.4316	189,700,659
Principal Asian Equity Fund	42.9132	41.0815	-	3,653,256,718
Principal Capital Guaranteed Fund*	-	-	-	-
Principal Core Accumulation Fund	-	-	14.1305	2,985,067,492
Principal MPF Conservative Fund	-	-	11.9308	5,380,511,283
Principal China Equity Fund	10.4012	9.9564	-	2,352,442,498
Principal Global Growth Fund	25.5785	24.8869	-	3,864,536,131
Principal Hang Seng Index Tracking Fund	-	-	10.4490	1,592,572,457
Principal Hong Kong Bond Fund	-	-	11.1925	583,931,456
Principal HK Dollar Savings Fund	11.5914	11.5245	-	2,131,669,095
Principal Hong Kong Equity Fund	19.2754	18.8577	-	3,019,164,596
Principal International Bond Fund	16.1288	15.9538	-	1,098,924,919
Principal International Equity Fund	24.9977	23.9352	-	2,291,150,296
Principal Long Term Accumulation Fund	20.0788	19.5360	-	1,941,605,158
Principal Long Term Guaranteed Fund*	-	-	-	-
Principal Stable Yield Fund	18.0693	17.5828	-	2,095,240,160
Principal US Equity Fund	29.1958	27.9604	-	4,615,324,493

\* These Constituent Funds were terminated on 26 October 2023.

The last available net asset value per unit immediate of Principal Capital Guaranteed Fund Class D and Class I before 26 October 2023 were HK\$11.8738 and HK\$11.7563 respectively.

The last available net asset value per unit immediate of Principal Long Term Guaranteed Fund Class D and Class I before 26 October 2023 were HK\$12.4358 and HK\$11.7234 respectively.

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Investment record as at 31 December 2022

	Net asset value per unit			Total net asset value HK\$
	Class D HK\$	Class I HK\$	Class N HK\$	
Principal Age 65 Plus Fund	-	-	10.5310	869,262,151
Principal Aggressive Strategy Fund	22.0942	21.8236	-	1,074,932,366
Principal Asian Bond Fund	-	-	8.8872	155,350,231
Principal Asian Equity Fund	40.8592	39.1944	-	3,554,839,221
Principal Capital Guaranteed Fund	11.7522	11.6505	-	2,585,060,064
Principal Core Accumulation Fund	-	-	12.3235	2,275,863,756
Principal MPF Conservative Fund	-	-	11.5338	2,651,526,978
Principal China Equity Fund	12.3108	11.8095	-	2,718,962,846
Principal Global Growth Fund	23.9347	23.3363	-	3,730,807,916
Principal Hang Seng Index Tracking Fund	-	-	11.7802	1,676,732,191
Principal Hong Kong Bond Fund	-	-	10.5196	564,017,261
Principal HK Dollar Savings Fund	11.1383	11.0786	-	2,018,652,534
Principal Hong Kong Equity Fund	22.0560	21.6010	-	3,346,564,099
Principal International Bond Fund	15.3049	15.1382	-	971,886,490
Principal International Equity Fund	20.2377	19.4155	-	1,734,104,452
Principal Long Term Accumulation Fund	18.8642	18.3924	-	1,880,203,512
Principal Long Term Guaranteed Fund	12.2794	11.6246	-	1,838,310,997
Principal Stable Yield Fund	17.0574	16.6329	-	2,005,977,432
Principal US Equity Fund	23.5999	22.6456	-	3,456,489,998

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2024

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Age 65 Plus Fund</b>				
Class N	0.78549	11.9662	11.2021	2.98
<b>Principal Aggressive Strategy Fund</b>				
Class D	1.32114	28.2190	22.8817	10.81
Class I	1.52110	27.7686	22.5491	10.59
<b>Principal Asian Bond Fund</b>				
Class N	1.03610	9.9325	9.2652	2.41
<b>Principal Asian Equity Fund</b>				
Class D	1.34073	51.1983	40.6419	9.79
Class I	1.53069	48.9428	38.9038	9.58
<b>**Principal Capital Guaranteed Fund</b>				
Class D	-	-	-	-
Class I	-	-	-	-
<b>Principal Core Accumulation Fund</b>				
Class N	0.77991	15.8421	13.9291	8.81
<b>Principal MPF Conservative Fund</b>				
Class N	0.98436	12.3424	11.9325	3.45
<b>Principal China Equity Fund</b>				
Class D	1.32589	14.2130	9.2529	17.86
Class I	1.51587	13.5852	8.8562	17.64
<b>Principal Global Growth Fund</b>				
Class D	1.32592	29.3542	24.7482	7.53
Class I	1.52597	28.5167	24.0769	7.31
<b>Principal Hang Seng Index Tracking Fund</b>				
Class N	0.91548	14.4955	9.1808	21.57
<b>Principal Hong Kong Bond Fund</b>				
Class N	1.03544	11.7919	11.0458	3.09
<b>Principal HK Dollar Savings Fund</b>				
Class D	0.99923	12.0421	11.5886	3.78
Class I	1.03918	11.9691	11.5217	3.74
<b>Principal Hong Kong Equity Fund</b>				
Class D	1.31209	25.9709	17.1204	15.21
Class I	1.41209	25.3886	16.7484	15.09
<b>Principal International Bond Fund</b>				
Class D	1.30276	16.6964	15.4180	(3.71)
Class I	1.30278	16.5152	15.2507	(3.71)
<b>Principal International Equity Fund</b>				
Class D	1.31631	29.4046	24.5445	10.68
Class I	1.50637	28.1258	23.5009	10.47

The net annualized investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

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\*\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

# The fee and charges of an investment in a listed REIT are not regarded as the underlying fund costs as defined under E of the Disclosure Code of an APIF for the purposes of calculating FER.



# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2024 (continued)

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Long Term Accumulation Fund</b>				
Class D	1.32355	22.2402	19.5036	4.21
Class I	1.52358	21.6063	18.9746	4.00
<b>**Principal Long Term Guaranteed Fund</b>				
Class D	-	-	-	-
Class I	-	-	-	-
<b>Principal Stable Yield Fund</b>				
Class D	1.31662	19.3854	17.6426	1.34
Class I	1.51665	18.8349	17.1660	1.14
<b>Principal US Equity Fund</b>				
Class D	1.28578	36.9755	28.6909	22.15
Class I	1.47591	35.3482	27.4763	21.92

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2023

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Age 65 Plus Fund</b>				
Class N	0.80777	11.3823	10.5092	7.67
<b>Principal Aggressive Strategy Fund</b>				
Class D	1.31949	24.2868	21.7173	7.47
Class I	1.51822	23.9562	21.4114	7.23
<b>Principal Asian Bond Fund</b>				
Class N	1.03586	9.4446	8.7858	6.13
<b>Principal Asian Equity Fund</b>				
Class D	1.34542	44.9774	38.6481	5.03
Class I	1.53540	43.1341	37.0113	4.81
<b>**Principal Capital Guaranteed Fund</b>				
Class D	1.29294	11.8738	11.7595	1.03
Class I	1.44311	11.7563	11.6526	0.91
<b>Principal Core Accumulation Fund</b>				
Class N	0.82229	14.1676	12.3543	14.66
<b>Principal MPF Conservative Fund</b>				
Class N	1.00007	11.9308	11.5378	3.44
<b>Principal China Equity Fund</b>				
Class D	1.32899	14.3297	9.9681	(15.51)
Class I	1.51940	13.7415	9.5422	(15.69)
<b>Principal Global Growth Fund</b>				
Class D	1.32086	25.9161	23.4300	6.87
Class I	1.52105	25.2617	22.8048	6.64
<b>Principal Hang Seng Index Tracking Fund</b>				
Class N	0.94739	13.4578	9.9372	(11.30)
<b>Principal Hong Kong Bond Fund</b>				
Class N	1.05105	11.1925	10.5485	6.40
<b>Principal HK Dollar Savings Fund</b>				
Class D	1.00415	11.5914	11.1442	4.07
Class I	1.04404	11.5245	11.0863	4.02
<b>Principal Hong Kong Equity Fund</b>				
Class D	1.30354	25.5586	18.5221	(12.61)
Class I	1.40353	25.0282	18.1212	(12.70)
<b>Principal International Bond Fund</b>				
Class D	1.32263	16.1971	14.6399	5.38
Class I	1.32264	16.0214	14.4810	5.39
<b>Principal International Equity Fund</b>				
Class D	1.34160	25.0396	20.1713	23.52
Class I	1.53202	23.9757	19.3370	23.28

The net annualized investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2023 (continued)

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Long Term Accumulation Fund</b>				
Class D	1.31784	20.1998	18.3782	6.44
Class I	1.51802	19.6898	17.8878	6.22
<b>**Principal Long Term Guaranteed Fund</b>				
Class D	2.57060	12.7222	12.3305	1.27
Class I	3.07073	12.0374	11.6522	0.85
<b>Principal Stable Yield Fund</b>				
Class D	1.31635	18.1218	16.6031	5.93
Class I	1.51652	17.6341	16.1619	5.71
<b>Principal US Equity Fund</b>				
Class D	1.31400	29.2831	23.4576	23.71
Class I	1.50358	28.0444	22.4926	23.47

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2022

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Age 65 Plus Fund</b>			
Class N	12.2684	10.2278	(14.34)
<b>Principal Aggressive Strategy Fund</b>			
Class D	27.3245	19.5538	(19.00)
Class I	27.0430	19.3216	(19.16)
<b>Principal Asian Bond Fund</b>			
Class N	10.0784	8.4624	(11.88)
<b>Principal Asian Equity Fund</b>			
Class D	50.7982	35.7532	(19.02)
Class I	48.8190	34.3085	(19.17)
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.7570	11.6992	0.45
Class I	11.6509	11.6078	0.37
<b>Principal Core Accumulation Fund</b>			
Class N	14.7651	11.6405	(16.47)
<b>Principal MPF Conservative Fund</b>			
Class N	11.5341	11.5158	0.15
<b>Principal China Equity Fund</b>			
Class D	17.1940	9.4036	(26.96)
Class I	16.5240	9.0235	(27.10)
<b>Principal Global Growth Fund</b>			
Class D	29.1813	21.5655	(18.00)
Class I	28.5087	21.0342	(18.17)
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	14.4653	8.8524	(13.21)
<b>Principal Hong Kong Bond Fund</b>			
Class N	11.5451	10.1988	(9.00)
<b>Principal HK Dollar Savings Fund</b>			
Class D	11.2745	11.0440	(1.21)
Class I	11.2185	10.9855	(1.25)
<b>Principal Hong Kong Equity Fund</b>			
Class D	29.1354	16.4719	(21.15)
Class I	28.5620	16.1348	(21.23)
<b>Principal International Bond Fund</b>			
Class D	18.2150	14.5869	(16.34)
Class I	18.0166	14.4280	(16.34)
<b>Principal International Equity Fund</b>			
Class D	26.0342	18.8302	(21.91)
Class I	25.0237	18.0738	(22.06)

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2022 (continued)

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualized investment return (%)
<b>Principal Long Term Accumulation Fund</b>			
Class D	22.8027	17.3047	(17.38)
Class I	22.2769	16.8782	(17.55)
<b>Principal Long Term Guaranteed Fund</b>			
Class D	13.9467	11.8785	(12.10)
Class I	13.2687	11.2560	(12.54)
<b>Principal Stable Yield Fund</b>			
Class D	20.2543	15.9582	(15.97)
Class I	19.7897	15.5669	(16.14)
<b>Principal US Equity Fund</b>			
Class D	29.3931	22.0905	(19.20)
Class I	28.2579	21.2060	(19.35)

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2021

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Age 65 Plus Fund</b>			
Class N	12.3963	11.8519	1.67
<b>Principal Aggressive Strategy Fund</b>			
Class D	28.7930	26.4182	3.49
Class I	28.5476	26.1493	3.29
<b>Principal Asian Bond Fund</b>			
Class N	10.2172	9.9092	(0.46)
<b>Principal Asian Equity Fund</b>			
Class D	58.0686	48.4631	(2.44)
Class I	55.9021	46.5803	(2.63)
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.6992	11.6987	0.00
Class I	11.6078	11.6078	0.00
<b>Principal Core Accumulation Fund</b>			
Class N	14.8363	13.4182	9.40
<b>Principal MPF Conservative Fund</b>			
Class N	11.5160	11.5156	0.00
<b>Principal China Equity Fund</b>			
Class D	24.1585	16.3818	(16.29)
Class I	23.2586	15.7459	(16.45)
<b>Principal Global Growth Fund</b>			
Class D	30.7316	28.4930	1.55
Class I	30.0759	27.8383	1.35
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	17.6786	13.2207	(12.57)
<b>Principal Hong Kong Bond Fund</b>			
Class N	11.7725	11.4647	(1.18)
<b>Principal HK Dollar Savings Fund</b>			
Class D	11.3293	11.2715	(0.45)
Class I	11.2770	11.2160	(0.49)
<b>Principal Hong Kong Equity Fund</b>			
Class D	39.4186	27.1585	(15.22)
Class I	38.6787	26.6261	(15.31)
<b>Principal International Bond Fund</b>			
Class D	19.3772	18.2061	(5.56)
Class I	19.1651	18.0078	(5.56)
<b>Principal International Equity Fund</b>			
Class D	26.1943	21.7048	18.19
Class I	25.1841	20.8985	17.97

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2021 (continued)

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Long Term Accumulation Fund</b>			
Class D	23.8766	22.4654	(0.09)
Class I	23.3668	21.9490	(0.28)
<b>Principal Long Term Guaranteed Fund</b>			
Class D	14.1987	13.8146	(0.74)
Class I	13.5363	13.1969	(1.23)
<b>Principal Stable Yield Fund</b>			
Class D	21.0801	20.1276	(1.78)
Class I	20.6326	19.6675	(1.97)
<b>Principal US Equity Fund</b>			
Class D	29.3708	22.7123	26.96
Class I	28.2372	21.8755	26.73

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# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2020

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Age 65 Plus Fund</b>			
Class N	12.0927	10.3696	8.92
<b>**Principal Aggressive Strategy Fund</b>			
Class D	26.3551	23.2259	9.91
Class I	26.1373	23.0416	9.86
<b>**Principal Asian Bond Fund</b>			
Class N	10.1344	9.9582	1.33
<b>Principal Asian Equity Fund</b>			
Class D	51.7176	28.1113	24.19
Class I	49.7996	27.1292	23.81
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.6986	11.6288	0.61
Class I	11.6078	11.5554	0.46
<b>Principal Core Accumulation Fund</b>			
Class N	13.4854	9.5769	13.10
<b>Principal MPF Conservative Fund</b>			
Class N	11.5163	11.4496	0.59
<b>Principal China Equity Fund</b>			
Class D	20.1350	12.8479	22.11
Class I	19.3894	12.4005	21.73
<b>Principal Global Growth Fund</b>			
Class D	28.7455	19.6915	14.34
Class I	28.1389	19.3090	14.08
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	16.2175	12.2154	(1.80)
<b>Principal Hong Kong Bond Fund</b>			
Class N	11.7028	10.9963	6.32
<b>Principal HK Dollar Savings Fund</b>			
Class D	11.3273	11.1713	1.39
Class I	11.2751	11.1203	1.39
<b>Principal Hong Kong Equity Fund</b>			
Class D	32.9942	21.9943	16.76
Class I	32.3786	21.5998	16.65
<b>Principal International Bond Fund</b>			
Class D	19.3721	17.5519	6.81
Class I	19.1601	17.3586	6.82
<b>Principal International Equity Fund</b>			
Class D	21.9292	12.3827	17.14
Class I	21.1179	11.9513	16.78

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

\* Percentage change: (unit price at the end of the year - unit price at the beginning of the year)/ unit price at the beginning of the year OR  
(unit price at the last pricing date - unit price at the beginning of the year)/ unit price at the beginning of the year  
(for terminated Constituent Fund/ fully redeemed class during the year) OR  
(unit price at the end of the year - unit price at the date of inception)/ unit price at the date of inception  
(for newly launched Constituent Fund/ class)

\*\* These Constituent Funds were newly launched on 22 October 2020.



# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2020 (continued)

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Long Term Accumulation Fund</b>			
Class D	22.8535	17.0521	12.41
Class I	22.3709	16.7207	12.15
<b>Principal Long Term Guaranteed Fund</b>			
Class D	14.0729	12.2701	6.41
Class I	13.4558	11.7768	5.88
<b>Principal Stable Yield Fund</b>			
Class D	20.6657	16.8579	9.77
Class I	20.2318	16.5324	9.52
<b>Principal US Equity Fund</b>			
Class D	23.0053	14.2460	11.89
Class I	22.1583	13.7523	11.54

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

\* Percentage change: (unit price at the end of the year - unit price at the beginning of the year)/ unit price at the beginning of the year OR  
(unit price at the last pricing date - unit price at the beginning of the year)/ unit price at the beginning of the year  
(for terminated Constituent Fund/ fully redeemed class during the year) OR  
(unit price at the end of the year - unit price at the date of inception)/ unit price at the date of inception  
(for newly launched Constituent Fund/ class)

\*\* These Constituent Funds were newly launched on 22 October 2020.

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2019

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Age 65 Plus Fund</b>			
Class N	11.1233	10.1133	9.83
<b>Principal Asian Equity Fund</b>			
Class D	42.2546	35.3273	14.04
Class I	40.9112	34.2363	13.66
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.6281	11.5082	1.05
Class I	11.5548	11.4527	0.90
<b>Principal Core Accumulation Fund</b>			
Class N	11.9379	10.1511	16.53
<b>Principal MPF Conservative Fund</b>			
Class N	11.4486	11.3125	1.21
<b>Principal China Equity Fund</b>			
Class D	16.6934	13.6762	16.43
Class I	16.1647	13.2545	16.04
<b>Principal Global Growth Fund</b>			
Class D	25.1728	21.8783	13.56
Class I	24.6986	21.5163	13.29
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	16.5222	13.7206	11.69
<b>Principal Hong Kong Bond Fund</b>			
Class N	11.1959	10.6756	3.03
<b>Principal HK Dollar Savings Fund</b>			
Class D	11.1707	11.0196	1.39
Class I	11.1197	10.9692	1.39
<b>Principal Hong Kong Equity Fund</b>			
Class D	29.6301	24.3577	12.28
Class I	29.1266	23.9499	12.17
<b>Principal International Bond Fund</b>			
Class D	18.5156	17.1647	6.08
Class I	18.3117	16.9756	6.08
<b>Principal International Equity Fund</b>			
Class D	18.7604	15.4402	19.59
Class I	18.1228	14.9646	19.19
<b>Principal Long Term Accumulation Fund</b>			
Class D	20.3473	18.1244	11.41
Class I	19.9636	17.8242	11.15
<b>Principal Long Term Guaranteed Fund</b>			
Class D	13.2379	12.4840	5.95
Class I	12.7210	12.0552	5.43
<b>Principal Stable Yield Fund</b>			
Class D	18.8335	17.2295	9.01
Class I	18.4802	16.9459	8.75
<b>Principal US Equity Fund</b>			
Class D	20.5949	16.1001	24.93
Class I	19.8986	15.6071	24.51

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

\* Percentage change: (unit price at the end of the year - unit price at the beginning of the year)/ unit price at the beginning of the year OR  
(unit price at the last pricing date - unit price at the beginning of the year)/ unit price at the beginning of the year  
(for terminated Constituent Fund/ fully redeemed class during the year) OR  
(unit price at the end of the year - unit price at the date of inception)/ unit price at the date of inception  
(for newly launched Constituent Fund/ class)

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2018

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Age 65 Plus Fund</b>			
Class N	10.4192	10.0155	(2.03)
<b>Principal Asian Equity Fund</b>			
Class D	49.1717	35.9501	(19.51)
Class I	47.8054	34.8446	(19.78)
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.5076	11.4456	0.54
Class I	11.4522	11.4067	0.40
<b>Principal Core Accumulation Fund</b>			
Class N	11.4034	9.9933	(6.38)
<b>Principal MPF Conservative Fund</b>			
Class N	11.3115	11.2313	0.71
<b>Principal China Equity Fund</b>			
Class D	18.8287	13.8344	(13.02)
Class I	18.3065	13.4160	(13.32)
<b>Principal Global Growth Fund</b>			
Class D	26.5498	21.7771	(11.35)
Class I	26.1693	21.4183	(11.56)
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	17.6972	13.5503	(11.32)
<b>Principal Hong Kong Bond Fund</b>			
Class N	10.6799	10.4117	0.75
<b>Principal HK Dollar Savings Fund</b>			
Class D	11.0171	10.9204	0.90
Class I	10.9668	10.8702	0.90
<b>Principal Hong Kong Equity Fund</b>			
Class D	32.4049	23.8522	(14.09)
Class I	31.8917	23.4568	(14.18)
<b>Principal International Bond Fund</b>			
Class D	17.6787	16.8347	(2.52)
Class I	17.4828	16.6493	(2.51)
<b>Principal International Equity Fund</b>			
Class D	19.5426	15.0121	(13.95)
Class I	19.0017	14.5511	(14.25)
<b>Principal Long Term Accumulation Fund</b>			
Class D	20.9566	18.0152	(8.81)
Class I	20.6558	17.7180	(9.03)
<b>Principal Long Term Guaranteed Fund</b>			
Class D	13.0680	12.3922	(4.01)
Class I	12.6783	11.9683	(4.49)
<b>Principal Stable Yield Fund</b>			
Class D	18.9668	17.1177	(6.04)
Class I	18.6960	16.8371	(6.26)
<b>Principal US Equity Fund</b>			
Class D	19.8533	15.4324	(6.59)
Class I	19.2687	14.9612	(6.90)

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

\* Percentage change: (unit price at the end of the year - unit price at the beginning of the year)/ unit price at the beginning of the year OR  
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(for newly launched Constituent Fund/ class)

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2017

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>#Principal Age 65 Plus Fund</b>			
Class N	10.3324	9.9973	3.18
<b>Principal Asian Equity Fund</b>			
Class D	45.4090	32.2471	48.54
Class I	44.1743	31.4626	47.38
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.4454	11.4284	0.15
Class I	11.4066	11.4028	0.03
<b>#Principal Core Accumulation Fund</b>			
Class N	10.9393	9.9676	9.30
<b>Principal MPF Conservative Fund</b>			
Class N	11.2313	11.2304	0.01
<b>Principal China Equity Fund</b>			
Class D	16.6388	11.6552	39.94
Class I	16.1867	11.3718	39.48
<b>Principal Global Growth Fund</b>			
Class D	24.9767	20.3368	23.12
Class I	24.6231	20.0954	22.83
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	16.0799	11.6286	41.74
<b>Principal Hong Kong Bond Fund</b>			
Class N	10.7707	10.3675	1.17
<b>Principal HK Dollar Savings Fund</b>			
Class D	10.9360	10.8695	0.36
Class I	10.8856	10.8192	0.29
<b>Principal Hong Kong Equity Fund</b>			
Class D	29.5091	20.7899	42.52
Class I	29.0467	20.4816	42.25
<b>Principal International Bond Fund</b>			
Class D	17.7303	16.3891	6.47
Class I	17.5334	16.2064	6.48
<b>Principal International Equity Fund</b>			
Class D	18.2475	14.9331	22.54
Class I	17.7470	14.5715	22.13
<b>Principal Long Term Accumulation Fund</b>			
Class D	20.0135	16.9856	1.47
Class I	19.7298	16.7838	1.23
<b>Principal Long Term Guaranteed Fund</b>			
Class D	13.0433	12.5528	3.10
Class I	12.6765	12.2430	2.09
<b>Principal Stable Yield Fund</b>			
Class D	18.3813	16.2851	12.90
Class I	18.1221	16.0925	12.64
<b>Principal US Equity Fund</b>			
Class D	17.7270	14.7700	19.30
Class I	17.2433	14.4122	18.91

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

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(for newly launched Constituent Fund/ class)

# These Constituent Funds were newly launched on 1 April 2017.

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2016

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Asian Equity Fund</b>			
Class D	34.9483	26.9559	4.76
Class I	34.1387	26.4052	4.28
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.4283	11.4267	0.01
Class I	11.4028	11.4015	0.01
<b>Principal MPF Conservative Fund</b>			
Class N	11.2305	11.2298	0.01
<b>Principal China Equity Fund</b>			
Class D	12.8408	9.4706	0.97
Class I	12.5434	9.2770	0.51
<b>Principal Global Growth Fund</b>			
Class D	21.2562	18.3358	1.42
Class I	21.0199	18.1563	1.18
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	12.6670	9.4450	2.35
<b>Principal Hong Kong Bond Fund</b>			
Class N	10.7630	10.3179	(1.09)
<b>Principal HK Dollar Savings Fund</b>			
Class D	10.8973	10.8494	(0.10)
Class I	10.8494	10.8061	(0.17)
<b>Principal Hong Kong Equity Fund</b>			
Class D	22.9491	17.2231	0.61
Class I	22.6157	16.9822	0.52
<b>Principal International Bond Fund</b>			
Class D	17.5673	16.3017	1.11
Class I	17.3760	16.1469	0.93
<b>Principal International Equity Fund</b>			
Class D	15.0562	13.0493	1.42
Class I	14.6945	12.7844	0.96
<b>Principal Long Term Accumulation Fund</b>			
Class D	17.8196	15.8352	1.47
Class I	17.6214	15.6800	1.23
<b>Principal Long Term Guaranteed Fund</b>			
Class D	12.9533	12.3814	(0.53)
Class I	12.6538	12.1330	(1.03)
<b>Principal Stable Yield Fund</b>			
Class D	17.1184	15.6269	1.25
Class I	16.9289	15.4766	1.01
<b>Principal US Equity Fund</b>			
Class D	15.0283	12.4802	5.03
Class I	14.6684	12.2282	4.56

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

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(for newly launched Constituent Fund/ class)

# PRINCIPAL MPF SCHEME SERIES 800

## INVESTMENT REPORT (continued)

### Performance table (continued)

#### Performance record for the year ended 31 December 2015

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)
<b>Principal Asian Equity Fund</b>			
Class D	38.7416	29.2322	(8.89)
Class I	38.1033	28.7019	(9.35)
<b>Principal Capital Guaranteed Fund</b>			
Class D	11.4267	11.4250	0.02
Class I	11.4015	11.4006	0.01
<b>Principal MPF Conservative Fund</b>			
Class N	11.2298	11.2276	0.02
<b>Principal China Equity Fund</b>			
Class D	15.6368	10.7293	(8.16)
Class I	15.3793	10.5326	(8.61)
<b>Principal Global Growth Fund</b>			
Class D	22.3258	19.2995	(2.85)
Class I	22.1493	19.1274	(3.08)
<b>Principal Hang Seng Index Tracking Fund</b>			
Class N	14.2959	10.5917	(5.27)
<b>Principal Hong Kong Bond Fund</b>			
Class N	10.5367	10.2542	2.08
<b>Principal HK Dollar Savings Fund</b>			
Class D	10.9422	10.8753	(0.30)
Class I	10.9050	10.8326	(0.40)
<b>Principal Hong Kong Equity Fund</b>			
Class D	26.4478	19.3009	(5.04)
Class I	26.0964	19.0389	(5.14)
<b>Principal International Bond Fund</b>			
Class D	17.0366	16.1696	(4.13)
Class I	16.9131	16.0196	(4.35)
<b>Principal International Equity Fund</b>			
Class D	15.9626	13.8018	(3.13)
Class I	15.6963	13.5467	(3.61)
<b>Principal Long Term Accumulation Fund</b>			
Class D	18.2030	16.3367	(2.89)
Class I	18.0590	16.1909	(3.12)
<b>Principal Long Term Guaranteed Fund</b>			
Class D	13.0613	12.5619	(0.98)
Class I	12.8464	12.3338	(1.47)
<b>Principal Stable Yield Fund</b>			
Class D	17.0705	15.8974	(2.94)
Class I	16.9357	15.7561	(3.17)
<b>Principal US Equity Fund</b>			
Class D	14.9025	13.0259	(0.90)
Class I	14.6434	12.7924	(1.39)

The net annualised investment return represents the percentage change in unit price\* for the year covered in this report. It is for indicative purposes only and is not a guide to future performance.

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 (for terminated Constituent Fund/ fully redeemed class during the year) OR  
 (unit price at the end of the year - unit price at the date of inception)/ unit price at the date of inception  
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## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies

#### *Principal Age 65 Plus Fund*

##### Investment objective

The investment objective of the Principal Age 65 Plus Fund is to provide stable growth for the retirement savings to members by investing in a globally-diversified manner. The Principal Age 65 Plus Fund is denominated in HKD.

The Principal Age 65 Plus Fund targets to hold 20% of its net assets in higher risk assets, with the remainder investing in lower risk assets. The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets.

The return of the Principal Age 65 Plus Fund is expected to be in line with the Principal Age 65 Plus Fund's investment objective, and the Principal Age 65 Plus Fund is expected to perform in line with the Reference Portfolio.

##### Balance of investments

In order to achieve the investment objective, the Principal Age 65 Plus Fund will invest in a unit trust APIF (the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund), which in turn invests in two or more passively or actively managed approved ITCISs and/or unit trust APIFs. The investment manager of the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund has the discretion, subject to the limits in the following paragraph, to determine the allocation percentages of the investments of the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund into passively or actively managed ITCISs and/or unit trust APIFs. Please refer to the following product structure chart illustrating the fund structure of the Principal Age 65 Plus Fund:

MPF  
Scheme/  
Constituent  
Fund(s)

Investment  
Manager:  
Principal  
Asset  
Management  
Company  
(Asia) Limited

#### Principal Age 65 Plus Fund

Feeder Fund

APIF

#### Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund

APIF/ITCIS

**Principal  
Life Style  
Fund -  
Principal  
International  
Equity Fund**

**Principal  
Life Style  
Fund -  
Principal  
International  
Bond Fund**

**Principal  
Life Style  
Fund -  
Principal  
Hong Kong  
Dollar  
Savings  
Fund**

**Other APIF(s) and/or  
ITCIS(s)**

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Age 65 Plus Fund (continued)*

##### **Balance of investments (continued)**

Through such underlying investment, the Principal Age 65 Plus Fund will hold 20% of its net assets in higher risk assets, with the remainder investing in lower risk assets. The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. While the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund may invest into actively and/or passively managed approved ITCISs and/or APIFs, the Principal Age 65 Plus Fund and the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund itself will be managed to a target of 20% higher risk assets and 80% lower risk assets, with strict adherence to the ranges above. With this strategy, the investment manager of the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund may allocate the assets among the approved ITCISs and/or unit trust APIFs in such proportions at its discretion in the interest of the unitholders of the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund.

There is no prescribed allocation for investments in any specific countries or currencies.

The Principal Age 65 Plus Fund will maintain an effective currency exposure to HKD of not less than 30% through currency hedging operations by entering into currency forward contracts at the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund level.

##### **Security lending and repurchase agreements**

Neither the Principal Age 65 Plus Fund nor the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund will engage in security lending or enter into repurchase agreements.

##### **Futures and options**

Neither the Principal Age 65 Plus Fund nor the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund will enter into any financial futures contracts or financial options contracts.

##### **Risks**

Due to the Principal Age 65 Plus Fund's investments being mainly in lower risk assets (such as global bonds and money market instruments), the risk profile of the Principal Age 65 Plus Fund is generally regarded as moderate. The investment manager of the Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund determines the risk profile of the Principal Age 65 Plus Fund, which is for your reference only.

The risk profile is based on relative exposure to equities/bonds (including an assessment of historical performance/volatility of return) and will be reviewed annually.



***Principal Age 65 Plus Fund (continued)***

**Risks (continued)**

Investments in the Principal Age 65 Plus Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks
- Key risks relating to the DIS
- Risks relating to investing solely in a single APIF or ITCIS

### ***Principal Aggressive Strategy Fund***

#### **Investment objective**

The objective of the Principal Aggressive Strategy Fund is to seek long-term growth of capital. The Principal Aggressive Strategy Fund is denominated in HKD.

In the long term, the return of the Principal Aggressive Strategy Fund is expected to exceed the inflation rates in Hong Kong.

#### **Balance of investments**

The Principal Aggressive Strategy Fund invests in the Principal Aggressive Strategy Fund under the Principal Unit Trust Umbrella Fund, a unit trust APIF managed by the Investment Manager. The APIF in turn invests in two or more APIFs and/or ITCISs. In selecting these APIFs and ITCISs, the Investment Manager will review the appropriateness of the underlying investments in meeting the objective of the Principal Aggressive Strategy Fund. Factors taken into consideration include, but are not limited to, the investment policies and objectives, portfolio strategies, historical performances, and liquidity of the underlying investments.

Through these underlying investments, the Principal Aggressive Strategy Fund will invest primarily in equities and debt securities of different countries. The Principal Aggressive Strategy Fund will provide an international exposure for investors' monies, with relatively more emphasis on equity investments.

The target ranges of asset allocation and geographic allocation of the Principal Aggressive Strategy Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	60 - 100%
Debt securities	0 - 40%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
Asia Pacific	0 - 75%
Europe	0 - 75%
North America	0 - 80%
South America	0 - 10%
Africa/Middle East	0 - 10%

The Principal Aggressive Strategy Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

#### **Security lending and repurchase agreements**

The Principal Aggressive Strategy Fund will not engage in security lending or repurchase agreements.

***Principal Aggressive Strategy Fund (continued)***

**Futures and options**

The Principal Aggressive Strategy Fund may not enter into any financial futures contracts or financial options contracts.

**Risks**

The risk profile of the Principal Aggressive Strategy Fund is generally regarded as high.

Investors in the Principal Aggressive Strategy Fund share the foreign exchange gains and losses associated with funds owning securities denominated in USD and other currencies.

Investments in the Principal Aggressive Strategy Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Custodial risk
- Hedging risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Legal and regulatory risk
- Trading risks
- Risks of investing in CIBM and/or Bond Connect

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Asian Bond Fund*

##### **Investment objective**

The objective of the Principal Asian Bond Fund is to provide a return consisting of income and capital growth over medium to long term. The Principal Asian Bond Fund is denominated in HKD.

In the long term, the return of the Principal Asian Bond Fund is expected, but not guaranteed, to be comparable to the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Asian Bond Fund invests in the Principal Asian Bond Fund under the Principal Unit Trust Umbrella Fund, a unit trust APIF managed by the Investment Manager. The APIF in turn invests in another APIF which invests a majority of its assets in Asian debt securities, including but not limited to sovereign, quasi-sovereign, agency, corporate bonds, of varying maturities issued by a government, multi-lateral agencies or by companies, and denominated primarily in U.S. dollars and major Asian currencies. The types of debt securities that the Principal Asian Bond Fund intends to primarily invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. In addition, the Principal Asian Bond Fund invests not more than 30% of its assets in time deposits or may hold cash.

Other than U.S. dollars and Hong Kong dollars, exposure to any single Asian currency, including but not limited to China Renminbi, South Korean Won and Singaporean dollars, will not exceed 30% of the Principal Asian Bond Fund's total assets. During special circumstances, such as periods of uncertainty or high volatility in Asian debt securities markets, the Principal Asian Bond Fund may invest up to 30% of its assets in non-Asian assets to protect the Principal Asian Bond Fund. During periods of high volatility, Asian debt securities may be less liquid or with higher bid-offer spreads etc. making them more difficult and expensive to transact in the market. In those cases, to help the Principal Asian Bond Fund maintain liquidity and buffer against market volatility, the Investment Manager may choose to invest in non-Asian assets, such as US Treasuries, non-Asian highly rated sovereign debt securities, which are more liquid and have lower bid-offer spread etc.

The target ranges of asset allocation and geographic allocation of the Principal Asian Bond Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Debt securities	70 - 100%
Cash and time deposits	0 - 30%
 <i>Geographic allocation#</i>	 <i>Range</i>
Asia	70 - 100%
Others	0 - 30%

# The geographical allocation for debt securities of the Principal Asian Bond Fund is classified by country of risk. "Country of risk" is based on a number of criteria, including, in respect of a security, its issuer's country of domicile, the primary stock exchange on which it trades, the location from which the majority of its issuer's revenue comes, and its issuer's reporting currency.

The Principal Asian Bond Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Asian Bond Fund (continued)*

##### **Security lending and repurchase agreements**

The Principal Asian Bond Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal Asian Bond Fund may not enter into any financial futures contracts or financial options contracts.

##### **Risks**

The risk profile of the Principal Asian Bond Fund is generally regarded as moderate. Members should note that investment in the Principal Asian Bond Fund is subject to investment grade bond risk, i.e. debt securities ratings getting downgraded by rating agencies.

As the Principal Asian Bond Fund takes exposure to multiple currencies at any given time, investors in the Principal Asian Bond Fund share the foreign exchange gains and losses associated with funds owning securities denominated in these currencies.

Investments in the Principal Asian Bond Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Custodial risk
- Hedging risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Asian Equity Fund*

##### **Investment objective**

The objective of the Principal Asian Equity Fund is to achieve capital growth over the long term by investing primarily in Asia Pacific (ex-Japan) equities. The Principal Asian Equity Fund is denominated in HKD.

In the long term, the return of the Principal Asian Equity Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Asian Equity Fund invests in a unit trust APIF. The APIF in turn invests in another APIF which primarily invests in equity securities of companies in the Asia Pacific (ex-Japan) region. The underlying APIFs may also hold cash and short-term investments such as bills and deposits. The underlying APIFs will invest less than 30% of its net asset value in eligible China A-Shares and B-Shares listed on the Shanghai and Shenzhen stock exchanges via the Stock Connect and/or the QFI regime. Investment markets of the underlying APIFs may include, but are not limited to, Greater China (including Mainland China, Hong Kong, Macau and Taiwan), Singapore, South Korea, Malaysia, Thailand, the Philippines, Indonesia, India, Australia and New Zealand.

The target ranges of asset allocation and geographic allocation of the Principal Asian Equity Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	70 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
<i>Geographic allocation*</i>	<i>Range</i>
Asia Pacific (ex-Japan)	80 - 100%
Others	0 - 20%

The Principal Asian Equity Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal Asian Equity Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal Asian Equity Fund may not enter into any financial futures contracts or financial options contracts.

##### **Risks**

The risk profile of the Principal Asian Equity Fund is generally regarded as high.

***Principal Asian Equity Fund (continued)***

**Risks (continued)**

Investors in the Principal Asian Equity Fund share the foreign exchange gains and losses associated with funds owning securities denominated in various currencies of the countries in which the underlying APIFs invest.

Investments in the Principal Asian Equity Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks associated with small-capitalisation / mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risks associated with investments utilizing Stock Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks

***Principal Capital Guaranteed Fund***

**Investment objective**

The objective of the Principal Capital Guaranteed Fund is to guarantee the capital value of the contributions (i.e. capital guarantee), and to earn a competitive short-term rate of return. In the long term, the return of the Principal Capital Guaranteed Fund is expected to exceed the bank saving rates in Hong Kong. The Principal Capital Guaranteed Fund is denominated in HKD.

The Principal Capital Guaranteed Fund invests in an insurance policy-based APIF which includes a guarantee. The insurance policy-based APIF is issued by Principal.

Principal is the insurer and guarantor of the underlying insurance policy-based APIF in which the Principal Capital Guaranteed Fund invests, and any return thereon.

Contributions invested in the Principal Capital Guaranteed Fund will receive a guarantee of capital over the period deposited in the Principal Capital Guaranteed Fund. The actual return of the Principal Capital Guaranteed Fund will vary from year to year and will be based on the unit value of the underlying insurance policy-based APIF. The value of the underlying insurance policy-based APIF is not based on the market value of the underlying assets but is calculated based on the approximate net asset value of the underlying assets valued on an amortized cost basis as declared on a daily basis by Principal, the insurer of the insurance policy-based APIF. The guarantee will ensure that the unit value of the Principal Capital Guaranteed Fund will never decrease. The capital value will be guaranteed for initial and subsequent contributions.

The account balance of a member investing in the Principal Capital Guaranteed Fund is determined by multiplying the number of units by the unit value. Since the unit value shall never decrease, and where the Principal Capital Guaranteed Fund has insufficient funds and the unit value may decrease, Principal, the guarantor of the underlying insurance-policy based APIF in which the Principal Capital Guaranteed Fund invests, will inject capital into the Principal Capital Guaranteed Fund to ensure that the unit value will not decrease. In other words, the guarantee will apply in all circumstances.

Principal, the guarantor of the Principal Capital Guaranteed Fund, holds an investment reserve to ensure that the unit value will never decrease. The investment reserve is backed by the assets of Principal. No part of the investment reserve will form part of the Scheme's assets. There is no additional charge for this investment reserve. The assets of Principal are maintained in accordance with all applicable requirements as prescribed by the relevant authority.

Prior to 30 December 2011, the capital might not be guaranteed in absolute term for members under the indirect charge option (i.e. the Class I units) because units were partly deducted from members' accounts as part of the management fees. With effect from 30 December 2011, all management fees for Class I units are deducted from the assets of the Principal Capital Guaranteed Fund in a manner similar to that of Class D units, and none of the management fees are charged by unit deduction from the members' accounts. The capital value of contributions made in respect of both Class D and Class I units will therefore be guaranteed on and after 30 December 2011.

Investments in the insurance policy-based APIF are held as the assets of Principal. Where Principal is liquidated, you may not have access to your investments temporarily, or their value may be reduced. Before you invest in the Principal Capital Guaranteed Fund, you should consider the credit risk posed by Principal, the insurer of the insurance policy-based APIF and, if necessary, seek additional information or advice.



## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Capital Guaranteed Fund (continued)*

##### **Balance of investments**

The Principal Capital Guaranteed Fund invests in an insurance policy-based APIF. The insurance policy-based APIF invests, in turn, in mainly a portfolio of short-duration securities. The Principal Capital Guaranteed Fund's exposure to capital gains and losses associated with interest rate fluctuations is mitigated because portfolio of the underlying insurance policy-based APIF in which the Principal Capital Guaranteed Fund invests will invest mainly in a variety of relatively short-duration securities held or located in Hong Kong and bank deposits placed with a Hong Kong branch of an authorised financial institution.

The target ranges of asset allocation and geographic allocation of the Principal Capital Guaranteed Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Debt securities	0 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 100%
 <i>Geographic distribution#</i>	 <i>Range</i>
Hong Kong	100%

The Principal Capital Guaranteed Fund will maintain 100% in HKD currency investments, as measured by the effective currency exposure.

# Whether an asset is held or located in Hong Kong shall be determined according to the "Statement of Best Practice on Protection for MPF Members in relation to Class G Insurance Policy APIFs" issued by the Hong Kong Federation of Insurers, as may be amended from time to time. As at the date of this MPF Scheme Brochure, investments held in Hong Kong may include the following:

- shares which are transferable and registrable only in a register kept in Hong Kong, or are in the ordinary course of business, transferable and registrable in a register kept in Hong Kong and their certificates (if any) are kept in Hong Kong;
- debt securities issued in Hong Kong, but only if they are transferable and registrable in a register in Hong Kong and, in the case of debt securities that are in the form of certificates, the certificates are kept in Hong Kong;
- debt securities issued outside Hong Kong, but only if their certificates are kept in Hong Kong and are transferable by delivery (with or without endorsement);
- deposits held with a Hong Kong branch of an authorized financial institution; and
- an interest in an authorised unit trust that is realizable in Hong Kong, but only if the governing law of the trust is the law of Hong Kong,

provided that these investments are permissible under Schedule 1 to the General Regulation.

##### **Security lending and repurchase agreements**

The Principal Capital Guaranteed Fund will not engage in security lending or repurchase agreements.

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

*Principal Capital Guaranteed Fund (continued)*

**Futures and options**

The Principal Capital Guaranteed Fund may not enter into any financial futures contracts or financial options contracts.

**Risks**

As the Principal Capital Guaranteed Fund is guaranteed against negative unit value movements, the level of risk is minimal. On the other hand, lower risk may mean lower return of the Principal Capital Guaranteed Fund.

The investment in the Principal Capital Guaranteed Fund is different from placing funds on deposit with a bank or deposit taking company, although the Principal Capital Guaranteed Fund provides a guarantee on capital value. The Principal Capital Guaranteed Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Investments in the Principal Capital Guaranteed Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- |  |  |
|--|--|
| • Political, economic and social risks | • Liquidity risk   |
| • Interest rate risk                   | • Risks relating to investing solely in a single APIF or ITCIS |
| • Market risk                          | • Sovereign debt risks   |
| • Accounting standards and disclosure  | • Valuation risks  |
| • Foreign exchange risk                | • Credit rating risk   |
| • Security risk                        | • Risks of investing in collective investment schemes          |
| • Credit risk                          | • Custodial risk   |
| • Counterparty risk                    | • Hedging risk   |
| • Investment grade bond risk           |  |

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Core Accumulation Fund*

##### Investment objective

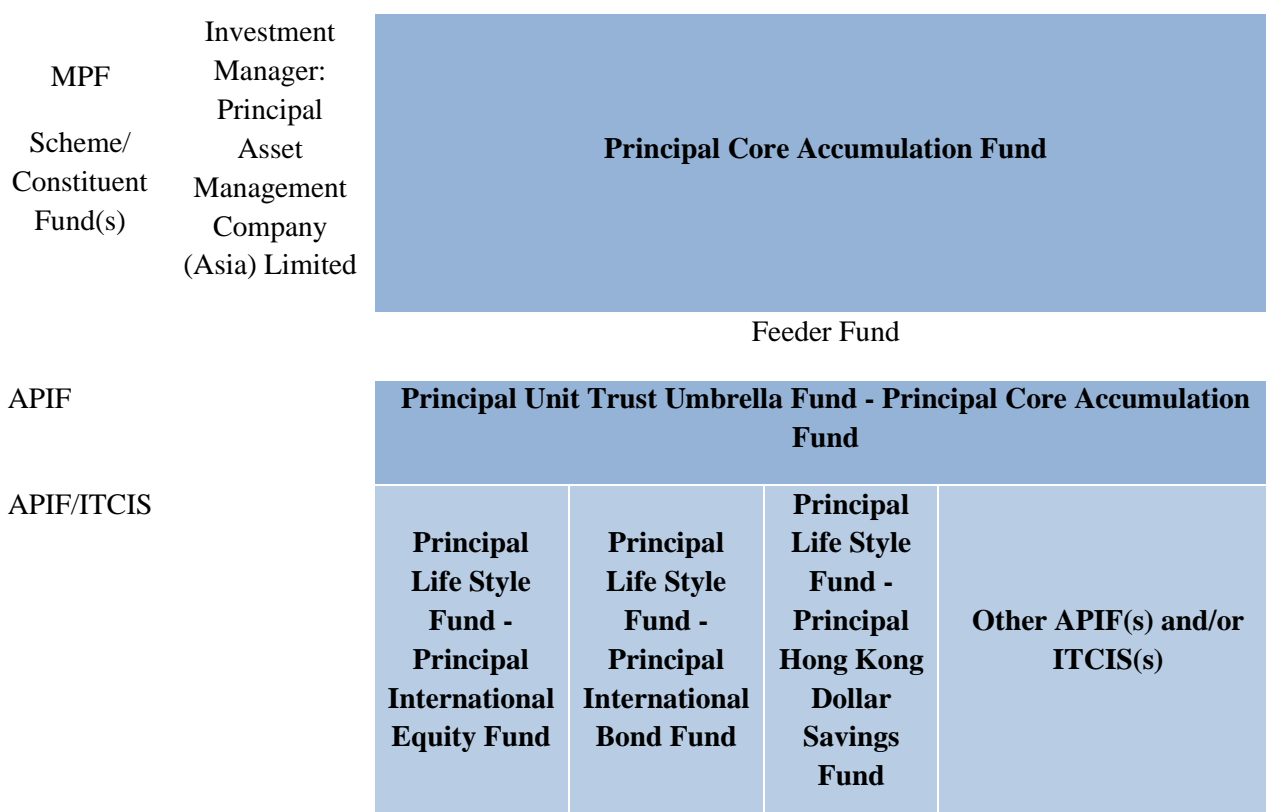
The investment objective of the Principal Core Accumulation Fund is to provide capital growth to members by investing in a globally-diversified manner. The Principal Core Accumulation Fund is denominated in HKD.

The Principal Core Accumulation Fund targets to hold 60% of its underlying assets in higher risk assets, with the remainder investing in lower risk assets. The asset allocation of higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets.

The return on the Principal Core Accumulation Fund may fluctuate, particularly in the short term. In the long term, however, the return is expected to be in line with the Principal Core Accumulation Fund's investment objective, and the Principal Core Accumulation Fund is expected to perform in line with the Reference Portfolio.

##### Balance of investments

In order to achieve the investment objective, the Principal Core Accumulation Fund will invest in a unit trust APIF (the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund), which in turn invests in two or more passively or actively managed approved ITCISs and/or unit trust APIFs. The investment manager of the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund has the discretion, subject to the limits in the following paragraph, to determine the allocation percentages of the investments of the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund into passively or actively managed approved ITCISs and/or unit trust APIFs. Please refer to the following product structure chart illustrating the fund structure of the Principal Core Accumulation Fund:



## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Core Accumulation Fund (continued)*

##### **Balance of investments (continued)**

Through such underlying investment, the Principal Core Accumulation Fund will hold 60% of its net assets in higher risk assets, with the remainder investing in lower risk assets. The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. While the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund may invest into actively and/or passively managed approved ITCISs and/or APIFs, the Principal Core Accumulation Fund and the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund itself will be managed to a target of 60% higher risk assets and 40% lower risk assets, with strict adherence to the ranges above. With this strategy, the investment manager of the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund may allocate the assets among the approved ITCISs and/or unit trust APIFs in such proportions at its discretion in the interest of the unitholders of the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund.

There is no prescribed allocation for investments in any specific countries or currencies.

The Principal Core Accumulation Fund will maintain an effective currency exposure to HKD of not less than 30% through currency hedging operations at the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund level.

##### **Security lending and repurchase agreements**

Neither the Principal Core Accumulation Fund nor the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund will engage in security lending or enter into repurchase agreements

##### **Futures and options**

Neither the Principal Core Accumulation Fund nor the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund will enter into any financial futures contracts or financial options contracts.

##### **Risks**

Due to the Principal Core Accumulation Fund's relatively high exposure to equities, the risk profile of the Principal Core Accumulation Fund is generally regarded as moderate to high. The investment manager of the Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund determines the risk profile of the Principal Core Accumulation Fund, which is for your reference only.

The risk profile is based on relative exposure to equities/bonds (including an assessment of historical performance/volatility of return) and will be reviewed annually.

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

*Principal Core Accumulation Fund (continued)*

**Risks (continued)**

Investments in the Principal Core Accumulation Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation / mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks
- Key risks relating to the DIS
- Risks relating to investing solely in a single APIF or ITCIS

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### ***Principal MPF Conservative Fund***

The Principal MPF Conservative Fund is the required Constituent Fund as specified in section 37 of the General Regulation. The investment and operation of the Principal MPF Conservative Fund complies with all provisions of section 37 of the General Regulation. The Principal MPF Conservative Fund is denominated in HKD.

#### **Investment objective**

The objective of the Principal MPF Conservative Fund is to at least earn a net return equal to the prescribed savings rate (which is broadly the average rate of interest on a HKD savings account) determined by the MPFA.

In the long term, the return of the Principal MPF Conservative Fund is expected to be similar to the bank saving rates in Hong Kong.

#### **Balance of investments**

The Principal MPF Conservative Fund invests in a unit trust APIF. The APIF invests in a portfolio of bank deposits, short-duration securities and high-quality money market instruments denominated in HKD.

The target ranges of asset allocation and geographic allocation of the Principal MPF Conservative Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Certificates of deposit	0 - 95%
Debt securities	0 - 95%
Cash and short-term investments (e.g. bills and deposits)	0 - 100%
 <i>Geographic allocation*</i>	 <i>Range</i>
Hong Kong	100%

#### **Security lending and repurchase agreements**

The Principal MPF Conservative Fund will not engage in security lending or repurchase agreements.

#### **Futures and options**

The Principal MPF Conservative Fund may not enter into any financial futures contracts or financial options contracts.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal MPF Conservative Fund (continued)*

##### **Risks**

The risk profile of the Principal MPF Conservative Fund is generally regarded as low.

The investment in the Principal MPF Conservative Fund is different from placing funds on deposits with a bank or a deposit-taking company in that there is no guarantee on the capital value or interest on investment made in the Principal MPF Conservative Fund. The Principal MPF Conservative Fund is not subject to the supervision of the Hong Kong Monetary Authority.

The Principal MPF Conservative Fund's exposure to capital gains and losses associated with interest rate fluctuations is mitigated because the Principal MPF Conservative Fund will indirectly invest mainly in a variety of relatively short duration securities and bank deposits.

Investments in the Principal MPF Conservative Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Counterparty risk
- Security risk
- Credit risk
- Investment grade bond risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- Custodial risk

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal China Equity Fund*

##### **Investment objective**

The objective of the Principal China Equity Fund is to achieve capital growth over the long term by investing mainly in China-related equities. The Principal China Equity Fund is denominated in HKD.

In the long term, the return of the Principal China Equity Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal China Equity Fund invests in a unit trust APIF. The APIF in turn invests at least 70% of its assets in equities issued by companies with exposure to different sectors of the economy in the PRC (Mainland China) or in collective investment schemes as permitted under the General Regulation which primarily invest in such equity securities. Equity securities include but are not limited to equity shares, preference shares and depository receipts. The APIF may invest less than 70% of its net asset value in eligible China A-Shares and China B-Shares listed on the Shanghai or Shenzhen stock exchanges (including the ChiNext market and the Science and Technology Innovation Board (“STAR Board”)) via the Stock Connect and/or the QFI regime.

This APIF may hold cash and short-term investments for cash management purpose.

The target ranges of asset allocation and geographic allocations of the Principal China Equity Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	70 - 100%
Cash & short-term investments (e.g. bills and deposits)	0 - 30%
<i>Geographic allocation*</i>	<i>Range</i>
PRC (Mainland China)	70 - 100%
Other countries	0 - 30%

The Principal China Equity Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal China Equity Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal China Equity Fund will not enter into any financial futures contracts or financial options contracts.



***Principal China Equity Fund (continued)***

**Risks**

The risk profile of the Principal China Equity Fund is generally regarded as high.

Investments in the Principal China Equity Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risks associated with investments utilizing Stock Connect
- Custodial risk
- Trading risks
- Legal and regulatory risk

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Global Growth Fund*

##### **Investment objective**

The objective of the Principal Global Growth Fund is to seek long-term growth of capital through investing in a balanced portfolio. The Principal Global Growth Fund is denominated in HKD.

In the long term, the return of the Principal Global Growth Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Global Growth Fund invests in a unit trust APIF managed by the Investment Manager. The APIF in turn invests in two or more APIFs and/or ITCISs. The Investment Manager selects APIFs and ITCISs that help achieve the objective of the Principal Global Growth Fund. Through these underlying investments, the Principal Global Growth Fund will invest primarily in equities and debt securities of different countries. The Principal Global Growth Fund will provide an international exposure for investors' monies using a balanced investment philosophy. It will normally target a larger allocation to equity investments than debt securities.

The target ranges of asset allocation and geographic allocation of the Principal Global Growth Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	30 - 90%
Debt securities	10 - 70%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%

<i>Geographic allocation*</i>	<i>Range</i>
Asia	0 - 75%
Europe	0 - 75%
North America	0 - 80%
South America	0 - 10%
Africa/Middle East	0 - 10%
Others	0 - 20%

The Principal Global Growth Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal Global Growth Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal Global Growth Fund may not enter into any financial futures contracts or financial options contracts.

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

***Principal Global Growth Fund (continued)***

**Risks**

The risk profile of the Principal Global Growth Fund is generally regarded as moderate to high.

Investors in the Principal Global Growth Fund share the foreign exchange gains and losses associated with funds owning securities denominated in USD and other currencies.

Investments in the Principal Global Growth Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Hang Seng Index Tracking Fund*

##### **Investment objective**

The objective of the Principal Hang Seng Index Tracking Fund is to provide investment results that closely correspond to the performance of the Hang Seng Index. The Principal Hang Seng Index Tracking Fund is denominated in HKD.

In the long term, the rate of return of the Principal Hang Seng Index Tracking Fund is expected to exceed the Hong Kong inflation rate.

##### **Balance of investments**

The Principal Hang Seng Index Tracking Fund invests all or substantially all of its assets in units in an ITCIS (The Tracker Fund of Hong Kong). The ITCIS in turn invests all or substantially all of its assets in equity securities listed on the Hong Kong Stock Exchange.

The Principal Hang Seng Index Tracking Fund will, through investing into the underlying ITCIS, maintain an effective currency exposure to HKD of not less than 30%.

##### **Security lending and repurchase agreements**

The Principal Hang Seng Index Tracking Fund will not engage in security lending or enter into repurchase agreements.

##### **Futures and options**

The Principal Hang Seng Index Tracking Fund will not enter into or acquire financial derivative instruments, including financial futures contracts or financial options contracts.

##### **Risks**

The risk profile of the Principal Hang Seng Index Tracking Fund is generally regarded as high.

There are particular risks involved in investing in an ITCIS which investors should note. Please refer to the relevant risk disclosures under section 4 (Risks).

One of the risks for investing in the Principal Hang Seng Index Tracking Fund is that the performance of the Principal Hang Seng Index Tracking Fund may be subject to certain degree of tracking error. The Investment Manager will monitor the tracking error of the Principal Hang Seng Index Tracking Fund on an on-going basis. If the tracking error exceeds a certain threshold, the Investment Manager will consider the reasons for such deviation and take actions where appropriate.

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

*Principal Hang Seng Index Tracking Fund (continued)*

**Risks (continued)**

Investments in the Hang Seng Index Tracking Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- Custodial risk
- Risk relating solely to investing in Principal Hang Seng Index Tracking Fund

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Hong Kong Bond Fund*

##### **Investment objective**

The objective of the Principal Hong Kong Bond Fund is to provide a return consisting of income and capital growth over medium to long term. The Principal Hong Kong Bond Fund is denominated in HKD.

In the long term, the return of the Principal Hong Kong Bond Fund is expected to be comparable to the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Hong Kong Bond Fund invests in a unit trust APIF. The APIF will primarily invest at least 70% of its assets in Hong Kong debt securities (rated or unrated#), including (but not limited to) sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by a government or by multi-lateral agencies or by companies, and denominated in HKD. The types of debt securities that the APIF primarily intends to invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. In addition, the APIF will invest not more than 30% of its assets in other short-term investments such as bills and deposits or may hold cash.

# Investment in unrated debt securities is only limited to those issued by the "exempt authority" within the definition of section 7 of schedule 1 to the General Regulation.

The APIF may invest less than 30% of its net asset value in debt instruments with loss-absorption features in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).

The target ranges of asset allocation and geographic allocation of the Principal Hong Kong Bond Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Debt Securities	70 - 100%
Cash & Short-term Investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
Hong Kong	70 - 100%
Others	0 - 30%

The Principal Hong Kong Bond Fund will maintain at least 70% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal Hong Kong Bond Fund will not engage in security lending or enter into repurchase agreement.

##### **Futures and options**

The Principal Hong Kong Bond Fund will not enter into or acquire financial derivative instruments, including financial futures contracts or financial options contracts.

***Principal Hong Kong Bond Fund (continued)***

**Risks**

The risk profile of the Principal Hong Kong Bond Fund is generally regarded as moderate.

Members should note that investment in the Principal Hong Kong Bond Fund is subject to downgrading risk (i.e. debt securities ratings getting downgraded by rating agencies).

Investments in the Principal Hong Kong Bond Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- Risks associated with debt securities rated below investment grade or unrated
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal HK Dollar Savings Fund*

##### **Investment objective**

The objective of the Principal HK Dollar Savings Fund is to earn a competitive short-to-medium term rate of return. The Principal HK Dollar Savings Fund is denominated in HKD.

In the long term, the return of the Principal HK Dollar Savings Fund is expected to exceed the HKD bank saving rates in Hong Kong.

##### **Balance of investments**

The Principal HK Dollar Savings Fund invests in a unit trust APIF. The APIF will invest primarily in a portfolio of high quality short to medium duration debt securities (rated or unrated<sup>#</sup>), including (but not limited to) sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by a government or by multi-lateral agencies or by companies, and denominated in HKD. The types of debt securities that the APIF primarily intends to invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. The APIF may also hold assets denominated in other currencies.

<sup>#</sup> Investment in unrated debt securities is only limited to those issued by the "exempt authority" within the definition of section 7 of Schedule 1 to the General Regulation.

The target ranges of asset allocation and geographic allocation of the Principal HK Dollar Savings Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Short-to-medium duration debt securities (e.g. certificates of deposits)	60 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 40%
 <i>Geographic allocation*</i>	 <i>Range</i>
Hong Kong	70 - 100%
United States	0 - 30%
Europe	0 - 30%
Others	0 - 20%

The Principal HK Dollar Savings Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal HK Dollar Savings Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal HK Dollar Savings Fund may not enter into any financial futures contracts or financial options contracts.



***Principal HK Dollar Savings Fund (continued)***

**Risks**

The risk profile of the Principal HK Dollar Savings Fund is generally regarded as low.

Investments in the Principal HK Dollar Savings Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating solely to investment in the Principal HK Dollar Savings Fund
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- Risk associated with debt securities rated below investment grade or unrated
- RMB currency and conversion risks
- Custodial risk
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Risk of investing in CIBM and/or Bond Connect

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Hong Kong Equity Fund*

##### **Investment objective**

The objective of the Principal Hong Kong Equity Fund is to achieve capital growth over the long term by investing mainly in Hong Kong equity markets. The Principal Hong Kong Equity Fund is denominated in HKD.

In the long term, the return of the Principal Hong Kong Equity Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Hong Kong Equity Fund invests in a unit trust APIF. The APIF in turn invests at least 70% of its assets in listed equities issued by companies established in Hong Kong or by companies whose shares are listed (including but not limited to H shares and shares of red-chip companies) on the Hong Kong Stock Exchange. The APIF may also invest in listed equities issued by companies which have business in Hong Kong. The APIF may hold up to 30% of its assets in cash and time deposits on a temporary basis or for such longer period as the circumstances require to maintain liquidity. The APIF may invest less than 30% of its net asset value in eligible China A-Shares and China B-Shares listed on the Shanghai or Shenzhen stock exchanges via the Stock Connect and/or the QFI regime.

The target ranges of asset allocation and geographic allocations of the Principal Hong Kong Equity Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	70 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
<i>Geographic allocation*</i>	<i>Range</i>
Hong Kong/China	70 - 100%
Others	0 - 30%

##### **Security lending and repurchase agreements**

The Principal Hong Kong Equity Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal Hong Kong Equity Fund will not enter into any financial futures contracts or financial options contracts.

***Principal Hong Kong Equity Fund (continued)***

**Risks**

The risk profile of the Principal Hong Kong Equity Fund is generally regarded as high.

Investments in the Principal Hong Kong Equity Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risks associated with investments utilizing Stock Connect
- Custodial risk
- Trading risks
- Legal and regulatory risk

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### ***Principal International Bond Fund***

##### **Investment objective**

The objective of the Principal International Bond Fund is to protect and maximise real asset value in terms of international purchasing power. The Principal International Bond Fund is denominated in HKD.

In the long term, the return of the Principal International Bond Fund is expected to be comparable to the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal International Bond Fund invests in a unit trust APIF. The APIF in turn invests in another APIF which invests mainly in a portfolio of debt securities, both sovereign and non-sovereign, of varying maturities and denominated in the world's major currencies.

The target ranges of asset allocation and geographic allocation of the Principal International Bond Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Debt securities	70 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
Asia (ex-Japan)	0 - 50%
Europe	0 - 50%
Japan	0 - 50%
North America	15 - 85%
Other countries (each)	0 - 20%

The Principal International Bond Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal International Bond Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal International Bond Fund may not enter into any financial futures contracts or financial options contracts.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal International Bond Fund (continued)*

##### **Risks**

The risk profile of the Principal International Bond Fund is generally regarded as moderate.

As the Principal International Bond Fund takes exposure to various currencies at any given time, investors in the Principal International Bond Fund share the foreign exchange gains and losses associated with funds owning these currencies.

Investments in the Principal International Bond Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal International Equity Fund*

##### **Investment objective**

The objective of the Principal International Equity Fund is to seek capital growth over the long term through investing in an investment fund which is established in the form of a unit trust. The Principal International Equity Fund is denominated in HKD.

In the long term, the return of the Principal International Equity Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal International Equity Fund invests in a unit trust APIF. The APIF in turn invests in another APIF which consists mainly of equity securities selected from investment markets around the world and can include exposure to cash and short-term investments.

The target ranges of asset allocation and geographic allocation of the Principal International Equity Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	70 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
North America	0 - 65%
Europe	0 - 60%
Asia	0 - 50%
South America	0 - 50%
Middle East	0 - 20%
Africa	0 - 20%
Others	0 - 20%

The Principal International Equity Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal International Equity Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal International Equity Fund may not enter into any financial futures contracts or financial options contracts.

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

*Principal International Equity Fund (continued)*

**Risks**

The risk profile of the Principal International Equity Fund is generally regarded as high.

As the Principal International Equity Fund takes exposure to various currencies at any given time, investors in the Principal International Equity Fund share the foreign exchange gains and losses associated with funds owning these currencies.

Investments in the Principal International Equity Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Long Term Accumulation Fund*

##### **Investment objective**

The objective of the Principal Long Term Accumulation Fund is to earn a competitive long-term total rate of return through investing in a balanced portfolio. The Principal Long Term Accumulation Fund is denominated in HKD.

The Principal Long Term Accumulation Fund is categorised as a balanced fund. While the short-term return may be volatile due to the risk inherent in its investments, the long-term rate of return is expected to be higher than that of a money market or bond fund.

In the long term, the return of the Principal Long Term Accumulation Fund is expected to be no less than the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Long Term Accumulation Fund invests in a unit trust APIF managed by the Investment Manager. The APIF in turn invests in two or more APIFs and/or ITCISs. The Investment Manager selects APIFs and ITCISs that help achieve the objective of the Principal Long Term Accumulation Fund.

The selected APIFs will use an investment strategy which focuses on fundamental analysis in order to identify countries offering good relative value. Country research will focus on economic data such as GDP growth, inflation, monetary policy, etc. The global economic and individual countries' macroeconomics environment will be assessed before conducting the country asset allocation process.

Selection of debt securities is based on long-term, fundamental analysis. Through the underlying APIFs, the Principal Long Term Accumulation Fund will invest in the global bond markets of a broad array of governments, provinces, government-supported entities as well as corporate issuance. Equity investments will be made in securities which as a group, appear to possess potential for appreciation in market value. Common stocks chosen for investment may include those of companies with above average sales and earnings growth. The policy of investing in securities which have a high potential for capital growth can mean that the assets of the Principal Long Term Accumulation Fund may be subject to greater risk than securities which do not have such potential.

The target ranges of asset allocation and geographic allocation of the Principal Long Term Accumulation Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	20 - 80%
Debt securities	15 - 75%
Cash and short-term investments (e.g. bills and deposits)	0 - 20%
 <i>Geographic allocation*</i>	 <i>Range</i>
United States	15 - 100%
Asia	0 - 85%
Europe	0 - 30%
Others	0 - 20%



***Principal Long Term Accumulation Fund (continued)***

**Balance of investments (continued)**

The Principal Long Term Accumulation Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

**Security lending and repurchase agreements**

The Principal Long Term Accumulation Fund will not engage in security lending or repurchase agreements.

**Futures and options**

The Principal Long Term Accumulation Fund may not enter into any financial futures contracts or financial options contracts.

**Risks**

The risk profile of the Principal Long Term Accumulation Fund is generally regarded as moderate to high.

As the Principal Long Term Accumulation Fund takes exposure to various currencies at any given time, investors in the Principal Long Term Accumulation Fund share the foreign exchange gains and losses associated with funds owning these currencies. Because the Principal Long Term Accumulation Fund indirectly owns debt securities, investors in the Principal Long Term Accumulation Fund will experience gains and losses on these securities as interest rates fluctuate.

Investments in the Principal Long Term Accumulation Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Long Term Guaranteed Fund*

##### **Investment objective**

The objective of the Principal Long Term Guaranteed Fund is to provide a competitive long-term total rate of return, while also providing a minimum guaranteed average annual return over the career of the members (i.e. long term guarantee). In the long term, the return of the Principal Long Term Guaranteed Fund is expected to be no less than the inflation rates in Hong Kong. The Principal Long Term Guaranteed Fund is denominated in HKD.

The Principal Long Term Guaranteed Fund invests in an insurance policy-based APIF which includes a guarantee. The insurance policy-based APIF is issued by Principal.

The Principal Long Term Guaranteed Fund adopts a longer-term investment philosophy. Principal, the insurer of the underlying insurance policy-based APIF, is the guarantor of the capital and the guaranteed rate of return for the underlying insurance policy-based APIF in which the Principal Long Term Guaranteed Fund invests.

For the purposes of the MPF Scheme Brochure, the below terms have the following meaning:

**"intra-group transfer"**

means any intra-group transfer of an employee member and the accrued benefits of the member to the new participating employer's participating scheme under the Scheme or another registered scheme under the trusteeship of Principal Trust Company (Asia) Limited and the management of Principal Asset Management Company (Asia) Limited, whereby the accrued benefits of the member (without the application of the guarantee) will be transferred to his new scheme accounts under the participating scheme of his new participating employer.

**"mandatory portion"**

means accrued benefits derived from mandatory contributions.

**"nominal account balance"**

means the net asset value in the units of the Principal Long Term Guaranteed Fund (without the application of the guarantee and before the deduction of the applicable bid spread, if any).

**"prevailing applicable rate"**

means 1% per annum and subject to the approval of the MPFA, such other rate as may be adjusted by Principal, as the insurer of the underlying insurance policy-based APIF, at a frequency of not more than once every three years, with at least three months prior notice from the Trustee to the members concerned before the effective date of the adjustment. Any adjustment to the prevailing applicable rate will be applicable to the qualifying balance from the date of adjustment and shall not affect the application of the relevant guaranteed rate(s) prior to the adjustment.

***Principal Long Term Guaranteed Fund (continued)***

**Investment objective (continued)**

For the purposes of the MPF Scheme Brochure, the below terms have the following meaning: (continued)

<b>"qualifying event"</b>	<p>means in relation to a member, the occurrence of one of the following events:</p> <ul style="list-style-type: none"><li>(i) Attainment of the normal retirement age or retirement at or after the early retirement age but before the normal retirement age;</li><li>(ii) Total incapacity;</li><li>(iii) Terminal illness;</li><li>(iv) Death;</li><li>(v) Permanent departure from Hong Kong;</li><li>(vi) Claim of "small balance"; or</li><li>(vii) (In respect of employee members only) Termination of the member's employment (regardless of the reason of termination) and the qualifying period is at least 36 complete months, provided that the qualifying period may be re-set to zero if the member effects a redemption, switching out or withdrawal of the units in the Principal Long Term Guaranteed Fund other than upon the occurrence of a qualifying event. For illustrations, please refer to Scenario 3 - Example 6 set out in Appendix II (Illustrations of the Guarantee Features of the Principal Long Term Guaranteed Fund).</li></ul>
<b>"qualifying period"</b>	<p>means the continuous period for which the member has been investing in the Principal Long Term Guaranteed Fund up to and including the last date of his employment.</p>
<b>"Relevant Transfer of Benefits"</b>	<p>means, other than in the context of an intra-group transfer, any transfer of accrued benefits attributable to the Principal Long Term Guaranteed Fund between different accounts of a member within the Scheme involving redemption, switching out or withdrawal of the units in the Principal Long Term Guaranteed Fund other than upon the occurrence of a qualifying event. Accordingly, any reference to the words "redemption, switching out or withdrawal other than upon the occurrence of a qualifying event" (or derivative wording of the same meaning) in section 3.4.2 (<i>Principal Long Term Guaranteed Fund</i>) and in Appendix II (<i>Illustrations of the Guarantee Features of the Principal Long Term Guaranteed Fund</i>) shall be construed to include any Relevant Transfer of Benefits.</p>

***Principal Long Term Guaranteed Fund (continued)***

**Investment objective (continued)**

For the purposes of the MPF Scheme Brochure, the below terms have the following meaning: (continued)

**"Valid Claim"**

means:

(i) a claim of all accrued benefits;

(ii) in respect of a self-employed person:

(A) who remains in self-employment notwithstanding attaining the normal retirement age, the first claim to occur of any of the following (and for the avoidance of doubt, excluding any subsequent claims):

- (1) a claim for all of the mandatory portion;
- (2) a claim for all of the voluntary portion;
- (3) a claim for part of the mandatory portion; or
- (4) a claim for part of the voluntary portion,

in each case of (1) to (4), upon the occurrence of the qualifying event of reaching normal retirement age ("qualifying event (i)"), and the guarantee will apply to the whole of the mandatory portion and voluntary portion of the self-employed person, regardless of whether the first claim to occur is for all or part of the mandatory or voluntary portion;

(B) a claim of all of the mandatory portion upon the occurrence of the qualifying event (iii); or

(iii) in respect of an employee member:

(A) who remains in employment notwithstanding attaining normal retirement age, the first claim to occur of either of the following (for the avoidance of doubt, excluding any subsequent claims):

- (1) a claim of all of the mandatory portion; or
- (2) a claim of part of the mandatory portion,

upon the occurrence of the qualifying event (i), and the guarantee will apply to the entire mandatory portion regardless of whether the first claim to occur is for all or part of the mandatory portion; or

(B) a claim of all units in the relevant scheme account maintained for the mandatory portion upon the occurrence of the qualifying event (iii).

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### *Principal Long Term Guaranteed Fund (continued)*

#### **Investment objective (continued)**

For the purposes of the MPF Scheme Brochure, the below terms have the following meaning: (continued)

**"Valid Claim"  
(continued)**

The Valid Claim should be submitted by the relevant member or his personal representative, as the case may be, pursuant to, and with all the necessary supporting documentation as prescribed by, the applicable regulations and the rules of the Scheme and must be received by the Trustee. Where an employee member invests in the Principal Long Term Guaranteed Fund in his capacity as an employee member under more than one employment, a Valid Claim made by the employee member under one employment shall mean a Valid Claim submitted by him under that employment only, but not under any other employment.

**"voluntary portion"**

means accrued benefits derived from voluntary contributions.

Contributions made by or on behalf of a member for the subscription of units in the Principal Long Term Guaranteed Fund will receive a guarantee of capital as well as a prescribed guarantee rate of return (depending on when the subscription is made, please see Appendix I (Operation of the guarantee in respect of the Principal Long Term Guaranteed Fund) for details) over the entire period such contributions are invested in the Principal Long Term Guaranteed Fund in the manner described below. Members should note that the guarantee of capital and return may be subject to the imposition of a bid spread in the future in relation to the redemption of the relevant units. The guarantee of capital and return will only be offered if the accrued benefits attributable to contributions in the Principal Long Term Guaranteed Fund are withdrawn upon the occurrence of a qualifying event.

In addition, the guarantee will apply in the following circumstances (the "**Exceptional Circumstances**"):

- *If the relevant member retires upon or after attaining the normal retirement age (qualifying event (i) other than early retirement) or dies (qualifying event (iv)), but he (or his personal representative) has failed to file a Valid Claim of his accrued benefits under the Scheme and, where applicable, to make an election pursuant to section 146 of the General Regulation: the accrued benefits (with the application of the guarantee) will be transferred to the member's personal account under the Scheme pursuant to the applicable regulations and the Scheme rules. After the transfer, the guarantee at the prevailing applicable rate will apply to his personal account of the Scheme in respect of the balances so transferred. When the member (or his personal representative) subsequently files a Valid Claim in respect of the personal account upon occurrence of a relevant qualifying event, the member (or his personal representative) will be entitled to the guarantee under the prevailing applicable rate in respect of the balance in his personal account.*

***Principal Long Term Guaranteed Fund (continued)***

**Investment objective (continued)**

In addition, the guarantee will apply in the following circumstances (the "**Exceptional Circumstances**"): (continued)

- *In case of qualifying event (vii), if the employment of the member is terminated after fulfilling the qualifying period but the member has failed to file a Valid Claim of his accrued benefits under the Scheme and to make an election pursuant to section 146 of the General Regulation: his accrued benefits (with the application of the guarantee) will be transferred to the personal account under the Scheme pursuant to the applicable regulations and the Scheme rules. Subsequent to the transfer, the guarantee at the prevailing applicable rate will apply to his personal accounts in respect of the balances so transferred. When the relevant member finally files a Valid Claim in respect of the personal account(s) upon the occurrence of a qualifying event, the member will be entitled to the guarantee under the prevailing applicable rate in respect of the balance in his personal account.*

If there is an intra-group transfer in respect of a member, such new scheme accounts will, for the purpose of the guarantee, be treated as a continuation of his original scheme accounts and all the guarantee entitlements which he had accrued under the old scheme accounts will continue under his new scheme accounts as if there had never been any transfer. Accordingly, any continuous period for which the member had been investing in the Principal Long Term Guaranteed Fund under the original participating employer immediately preceding such transfer will also be taken into account in determining the qualifying period of that member under his employment with the new employer. The guaranteed rate of return which is applicable to the old scheme accounts will also be applicable to the new scheme accounts unless there is a redemption, switching out or withdrawal of the units in the Principal Long Term Guaranteed Fund other than upon the occurrence of a qualifying event. If the member subsequently files a Valid Claim of his accrued benefits from the new scheme accounts upon the occurrence of a qualifying event, the guarantee will be applied as at the date of withdrawal.

However, if a member effects a redemption, switching out or withdrawal of units of the Principal Long Term Guaranteed Fund at any time after 30 September 2004 other than the occurrence of a qualifying event, the remaining qualifying balance (regardless of whether it includes contributions made on or before 30 September 2004) will only be credited with 1.0% interest (i.e. the prevailing applicable rate).

**Caution: Members should also note that if any of the qualifying events occurs but the accrued benefits of a member are transferred to the personal account(s) as a result of his failure of filing a Valid Claim of his accrued benefits prior to the transfer, then, unless any of the Exceptional Circumstances occurs:**

- no guarantee will apply at the time when the accrued benefits are transferred to the personal account(s);**
- any guarantee entitlements in respect of the member prior to the transfer will be forfeited; and**
- the prevailing applicable rate will be applicable to the personal account after the transfer of the accrued benefits thereto.**

**Further, if the relevant member elects to transfer his accrued benefits to the personal account(s) upon termination of employment, or elects to have a Relevant Transfer of Benefit, but none of the relevant qualifying conditions occurs, no guarantee will be applicable at the time when the accrued benefits are so transferred.**

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### ***Principal Long Term Guaranteed Fund (continued)***

##### **Investment objective (continued)**

Investments in the insurance policy-based APIF are held as the assets of Principal. Where Principal is liquidated, you may not have access to your investments temporarily, or their value may be reduced. Before you invest in the Principal Long Term Guaranteed Fund, you should consider the credit risk posed by Principal, the insurer of the insurance policy-based APIF and, if necessary, seek additional information or advice.

##### **Balance of investments**

The Principal Long Term Guaranteed Fund invests in an insurance policy-based APIF. The insurance policy-based APIF invests, in turn, in two or more APIFs and/or ITCISs. In selecting these APIFs and ITCISs, the Investment Manager will seek to achieve the objective of the Principal Long Term Guaranteed Fund.

The selected APIFs and/or ITCISs are expected to use an investment strategy which focuses on, among others, fundamental analysis in order to identify the assets and the markets which are likely to offer good investment value. Such analysis should focus on economic issues such as GDP growth, inflation, monetary policy, currency analysis, valuations etc. At the security-selection level, analysis would focus on both micro and macro factors. These factors include margins, revenues, earnings expectations etc.

The underlying investments will consist of debt and equity securities. Such securities may be denominated in HKD, USD or other currencies, and consistent with the overall risk-return objectives and target geographical allocation of the Principal Long Term Guaranteed Fund. Currently, HKD is pegged to USD but the Principal Long Term Guaranteed Fund makes no assurance that this relationship will continue and therefore the Investment Manager requires the flexibility to choose assets in other currencies. Exposure to assets denominated in any currency other than HKD can bring potential gains or losses to the Principal Long Term Guaranteed Fund as the Principal Long Term Guaranteed Fund itself is denominated in HKD. As the Principal Long Term Guaranteed Fund indirectly owns debt and equity securities, members investing in the Principal Long Term Guaranteed Fund will experience gains and losses on these securities as markets fluctuate.

The target ranges of asset allocation and geographic allocation of the Principal Long Term Guaranteed Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	10 - 55%
Debt securities	25 - 90%
Cash and short-term investments (e.g. bills and deposits)	0 - 20%
 <i>Geographic allocation*</i>	 <i>Range</i>
United States and Greater China	40 - 100%
Other Asia	0 - 50%
Europe	0 - 50%
Other countries	0 - 50%

The Principal Long Term Guaranteed Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

***Principal Long Term Guaranteed Fund (continued)***

**Security lending and repurchase agreements**

The Principal Long Term Guaranteed Fund will not engage in security lending or repurchase agreements.

**Futures and options**

The Principal Long Term Guaranteed Fund may not enter into any financial futures contracts or financial options contracts.

**Risks**

The Principal Long Term Guaranteed Fund is categorised as a guaranteed fund. The level of risk is higher than a money market fund, however, with a guarantee of capital and return subject to the occurrence of a qualifying event.

Investments in the Principal Long Term Guaranteed Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation / mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks



## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### ***Principal Stable Yield Fund***

##### **Investment objective**

The objective of the Principal Stable Yield Fund is to seek long-term growth of capital through investing in a balanced portfolio. The Principal Stable Yield Fund is denominated in HKD.

In the long term, the return of the Principal Stable Yield Fund is expected to exceed the inflation rates in Hong Kong.

##### **Balance of investments**

The Principal Stable Yield Fund invests in a unit trust APIF managed by the Investment Manager. The APIF in turn invests in two or more APIFs and/or ITCISs. The Investment Manager selects APIFs and ITCISs that help achieve the objective of the Principal Stable Yield Fund. Through these underlying investments, the Principal Stable Yield Fund will invest primarily in equities and debt securities of different countries. The Principal Stable Yield Fund will provide an international exposure for investors' monies, with relatively more emphasis on debt investments.

The target ranges of asset allocation and geographic allocation of the Principal Stable Yield Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	0 - 60%
Debt securities	20 - 90%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
Asia	0 - 75%
Europe	0 - 75%
North America	0 - 80%
South America	0 - 10%
Africa/Middle East	0 - 10%
Others	0 - 20%

The Principal Stable Yield Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

##### **Security lending and repurchase agreements**

The Principal Stable Yield Fund will not engage in security lending or repurchase agreements.

##### **Futures and options**

The Principal Stable Yield Fund may not enter into any financial futures contracts or financial options contracts.

***Principal Stable Yield Fund (continued)***

**Risks**

The risk profile of the Principal Stable Yield Fund is generally regarded as moderate.

Investors in the Principal Stable Yield Fund share the foreign exchange gains and losses associated with funds owning securities denominated in USD and other currencies.

Investments in the Principal Stable Yield Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Investment grade bond risk
- Liquidity risk
- Risks associated with small-capitalisation/mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Risks relating to investing solely in a single APIF or ITCIS
- Sovereign debt risks
- Valuation risks
- Credit rating risk
- Eurozone risks
- Risks of investing in collective investment schemes
- RMB currency and conversion risks
- PRC investment risk
- PRC tax risk with respect to capital gains
- Risk of investing in CIBM and/or Bond Connect
- Custodial risk
- Hedging risk
- Legal and regulatory risk
- Trading risks

***Principal US Equity Fund***

**Investment objective**

The objective of the Principal US Equity Fund is to achieve capital growth over the long term by investing in US equity markets. The Principal US Equity Fund is denominated in HKD.

In the long term, the return of the Principal US Equity Fund is expected to exceed the inflation rates in Hong Kong.

**Balance of investments**

The Principal US Equity Fund invests in a unit trust APIF. The APIF in turn invests in another APIF which consists primarily of US equities and can include exposure to cash and short-term investments.

The target ranges of asset allocation and geographic allocation of the Principal US Equity Fund are as follows:

<i>Asset allocation*</i>	<i>Range</i>
Equity securities	70 - 100%
Cash and short-term investments (e.g. bills and deposits)	0 - 30%
 <i>Geographic allocation*</i>	 <i>Range</i>
United States	70 - 100%
Hong Kong	0 - 30%
Others	0 - 20%

The Principal US Equity Fund will maintain at least 30% in HKD currency investments, as measured by effective currency exposure.

**Security lending and repurchase agreements**

The Principal US Equity Fund will not engage in security lending or repurchase agreements.

**Futures and options**

The Principal US Equity Fund may not enter into any financial futures contracts or financial options contracts.

***Principal US Equity Fund (continued)***

**Risks**

The risk profile of the Principal US Equity Fund is generally regarded as high.

Investors in the Principal US Equity Fund share the foreign exchange gains and losses associated with funds owning securities denominated in USD and other currencies.

Investments in the Principal US Equity Fund are subject to market fluctuations and investment risks. Members should, in particular, be aware of the following risks, details of which are in section 4 (Risks):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Accounting standards and disclosure
- Foreign exchange risk
- Security risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risks relating to investing solely in a single APIF or ITCIS
- Risks relating to investing in an APIF or an ITCIS that invests in a single market
- Risks associated with small-capitalisation / mid-capitalisation companies
- Risks associated with high volatility of the equity market in certain countries and regions
- Risks associated with regulatory or exchanges requirements of the equity market in certain countries and regions
- Valuation risks
- Credit rating risk
- Risks of investing in collective investment schemes
- Custodial risk
- Hedging risk

Should there be any changes to the investment policy, the Trustee will notify the Scheme participants three months (or a short period as agreed by the SFC) in advance.

\*Investors should note that (i) the ranges of assets and geographic allocations as shown in this section are for indication only and long-term allocations may vary with changing market conditions; and (ii) the geographic allocation for equity investments is classified by the principal place of business of the issuers and the geographic allocation for debt investments is classified by the relevant currency denomination.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee

During the financial year, all the investments made by each of the funds were in accordance with the respective fund's investment policies and the requirements under the Mandatory Provident Fund Schemes Ordinance and the Securities and Futures Ordinance. For detailed information of each fund's performance and particulars of investments, please refer to the details in this report.

#### *Principal Age 65 Plus Fund - Class N*

Launch Date: 1 April 2017

Reference Benchmark: MPF DIS Reference Portfolio - Age 65 Plus Fund

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	2.98	1.01	N/A	2.02
Benchmark/Performance Target#	3.30	0.53	N/A	1.81
Deviation	-0.32	0.48	N/A	0.21

The fund outperformed the benchmark in 5-year and since launch periods, but underperformed in 1-year period.

The fund was launched in April 2017 to provide capital growth to members by investing in a globally diversified manner. The fund is structured to invest substantially into index funds currently, while allocating small portions to active funds to grasp opportunities in the market.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. For equity side, the fund's exposure to the active international equity fund weighed on the performance, mainly in the second half of the year, which was mainly driven by the dynamics within the information technology sector. For fixed income side, the long duration positioning weighed on the performance in Q4 as fixed income markets sold off as Fed guided for less rate cuts in 2025.

The investment team is currently reviewing the strategical allocation in the active components and the underlying funds' positioning and planning to extend more flexibility in rotation between active and passive components to avoid manager style bias under some prevailing market cycles. The manager will closely monitor the fund performance before and after the portfolio change to optimize the risk-return profile.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee

##### *Principal Aggressive Strategy Fund - Class D*

Launch Date: 22 October 2020

Reference Benchmark: Willis Towers Watson Composite Benchmark (>80% - 100% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	10.81	2.88	3.85	3.69
Benchmark/Performance Target#	10.96	2.72	4.23	N/A
Deviation	-0.15	0.16	-0.38	N/A

The fund outperformed the benchmark in 5-year, but underperformed in 1-year period and 10-year periods.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund slightly underperformed benchmark in 2024 with the underlying fund relative performance being the key detractor, mainly on equity side in the second half of the year. The performance of the Hong Kong equity sleeve weighed the most due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee

##### *Principal Aggressive Strategy Fund - Class I*

Launch Date: 22 October 2020

Reference Benchmark: Willis Towers Watson Composite Benchmark (>80% - 100% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	10.59	2.66	3.62	3.53
Benchmark/Performance Target#	10.76	2.52	4.03	N/A
Deviation	-0.17	0.14	-0.41	N/A

The fund outperformed the benchmark in 5-year, but underperformed in 1-year period and 10-year periods.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund slightly underperformed benchmark in 2024 with the underlying fund relative performance being the key detractor, mainly on equity side in the second half of the year. The performance of the Hong Kong equity sleeve weighed the most due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee

##### *Principal Asian Bond Fund - Class N*

Launch Date: 22 October 2020

Reference Benchmark: ICE BAML Asian Dollar Investment Grade TR Index

	<b>1 year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since</b>
	<b>(%)</b>	<b>ann. (%)</b>	<b>ann. (%)</b>	<b>Launch</b>
				<b>ann. (%)</b>
Fund Performance*	2.41	N/A	N/A	-0.82
Benchmark/Performance Target#	2.13	0.30	2.02	-0.79
Deviation	0.28	N/A	N/A	-0.03

The fund outperformed the benchmark in 1-year period, and performed largely in line in since launch period.

Asian bonds demonstrated remarkable resilience in 2024 amidst elevated volatilities. In 2024, the fund outperformed the benchmark with the main driver being the rally in rates. The fund's outperformance was driven by selection in credits with duration being net neutral to the portfolio (underweight duration being a positive contributor with curve position being a detractor). In credit, overweight in banking, consumer goods, insurance, media and automotive sectors were the main drivers of credit performance.

While some challenges remain, the improvement in inflation in the US has granted the Fed confidence that inflation is on a sustainable path to the 2% target. The investment team is starting to see markets repricing the extent of the China growth slowdown with the policies becoming increasingly supportive with the recent turnaround in market sentiment holding hopes for a tenuous turnaround in household sentiment. In this backdrop, rest of Asia faces mixed prospects in 2025 but largely hinging on the monetary policy space accorded by the Fed's easing cycle. While valuations are historically tight, it is expected investment grade spreads to be relatively stable as the slowdown would be manageable. The portfolio will continue to maintain carry without reaching out to the lower spectrum. Sector rotation continues to remain a key theme including distributing the risks across sectors, finding opportunities in the local markets and taking off benchmark bets.



## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee (continued)

##### *Principal Asian Equity Fund - Class D*

Launch Date: 1 December 2000

Reference Benchmark: FTSE MPF Asia Pacific ex Japan

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	9.79	2.50	3.46	6.65
Benchmark/Performance Target#	9.04	2.62	3.82	N/A
Deviation	0.75	-0.12	-0.36	N/A

The fund outperformed the benchmark in 1-year, but underperformed in 5-year period and 10-year periods.

Following the re-election of Donald Trump, international and emerging markets were under pressure on the back of a rising U.S. dollar, potential trade tariff expansion, and expectations for stronger U.S. growth. Further amplifying the negative sentiment in emerging markets was domestic challenges in the Latin America region, China, and Korea. The fund outperformed index in 2024, mainly helped by the outperformance in the first half of the year. Asia ex-China region was the best performer, led by gains in South Korea and India. Sector wise, industrials and information technology were the top performing sectors. Following a period of valuation improvement, earnings remain a key catalyst to further upside. Bottom-up stock selection will be key amidst uneven global economy recoveries, fluid central bank policies, and unexpected political election results.

On 19 July 2024, the investment objectives and policies of the underlying funds were updated to expand their geographical focus from “Asia” to “Asia Pacific (ex-Japan)” and to utilize the QFI regime in addition to the Stock Connect to invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges. Consequently, the investment objective and policy of the Principal Asian Equity Fund were updated to reflect such changes of the underlying fund. The expansion of the underlying fund’s investment universe to some of the largest markets in the Asia Pacific (ex-Japan) region, such as Australia and New Zealand, may allow the underlying fund and hence, the Constituent Fund, to gain exposure to such markets and diversify their investments and achieve better performance outcomes for the underlying fund and the Constituent Fund. Utilizing the QFI regime is also in the interests of investors because it expands the scope and means of the underlying fund and hence, the Constituent Fund’s investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying fund and the Constituent Fund. There is no increase in the overall risk profile of the underlying fund and the Constituent Fund. The underlying Principal Life Style Fund - Principal Asian Equity Fund has also augmented the investment resources by moving towards the local investment expertise to tap into the strength of the local team and bring additional on-the-ground insights, which would help on the efficiency of portfolio management and explore more alpha opportunities by utilizing the investment management resources available within the Principal groups.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Asian Equity Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: FTSE MPF Asia Pacific ex Japan

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	9.58	2.28	3.15	6.43
Benchmark/Performance Target#	8.85	2.43	3.63	N/A
Deviation	0.73	-0.15	-0.48	N/A

The fund outperformed the benchmark in 1-year, but underperformed in 5-year period and 10-year periods.

Following the re-election of Donald Trump, international and emerging markets were under pressure on the back of a rising U.S. dollar, potential trade tariff expansion, and expectations for stronger U.S. growth. Further amplifying the negative sentiment in emerging markets was domestic challenges in the Latin America region, China, and Korea. The fund outperformed index in 2024, mainly helped by the outperformance in the first half of the year. Asia ex-China region was the best performer, led by gains in South Korea and India. Sector wise, industrials and information technology were the top performing sectors. Following a period of valuation improvement, earnings remain a key catalyst to further upside. Bottom-up stock selection will be key amidst uneven global economy recoveries, fluid central bank policies, and unexpected political election results.

On 19 July 2024, the investment objectives and policies of the underlying funds were updated to expand their geographical focus from “Asia” to “Asia Pacific (ex-Japan)” and to utilize the QFI regime in addition to the Stock Connect to invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges. Consequently, the investment objective and policy of the Principal Asian Equity Fund were updated to reflect such changes of the underlying fund. The expansion of the underlying fund’s investment universe to some of the largest markets in the Asia Pacific (ex-Japan) region, such as Australia and New Zealand, may allow the underlying fund and hence, the Constituent Fund, to gain exposure to such markets and diversify their investments and achieve better performance outcomes for the underlying fund and the Constituent Fund. Utilizing the QFI regime is also in the interests of investors because it expands the scope and means of the underlying fund and hence, the Constituent Fund’s investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying fund and the Constituent Fund. There is no increase in the overall risk profile of the underlying fund and the Constituent Fund. The underlying Principal Life Style Fund - Principal Asian Equity Fund has also augmented the investment resources by moving towards the local investment expertise to tap into the strength of the local team and bring additional on-the-ground insights, which would help on the efficiency of portfolio management and explore more alpha opportunities by utilizing the investment management resources available within the Principal groups.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Capital Guaranteed Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: MPF Prescribed Savings Rate

The objective of this fund is to guarantee the capital value of the contributions, and to earn a competitive short-term rate of return. This fund was terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Capital Guaranteed Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: MPF Prescribed Savings Rate

The objective of this fund is to guarantee the capital value of the contributions, and to earn a competitive short-term rate of return. This fund was terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Core Accumulation Fund - Class N***

Launch Date: 1 April 2017

Reference Benchmark: MPF DIS Reference Portfolio - Core Accumulation Fund

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	8.81	5.22	N/A	5.71
Benchmark/Performance Target#	9.54	5.09	N/A	5.82
Deviation	-0.73	0.13	N/A	-0.11

The fund underperformed the benchmark in 1-year and since launch periods, but outperformed in 5-year period.

The fund was launched in April 2017 to provide capital growth to members by investing in a globally diversified manner. The fund is structured to invest substantially into index funds currently, while allocating small portions to active funds to grasp opportunities in the market.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. For equity side, the fund's exposure to the active international equity fund weighed on the performance, mainly in the second half of the year, which was mainly driven by the dynamics within the information technology sector. For fixed income side, the long duration positioning also partially weighed on the performance in Q4 as fixed income markets sold off as Fed guided for less rate cuts in 2025.

The investment team is currently reviewing the strategical allocation in the active components and the underlying funds' positioning and planning to extend more flexibility in rotation between active and passive components to avoid manager style bias under some prevailing market cycles. The manager will closely monitor the fund performance before and after the portfolio change to optimize the risk-return profile.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal MPF Conservative Fund - Class N***

Launch Date: 1 December 2000

Reference Benchmark: MPF Prescribed Savings Rate

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	3.45	1.51	0.95	0.88
Benchmark/Performance Target#	0.81	0.33	0.18	0.43
Deviation	2.64	1.18	0.77	0.45

The fund outperformed the benchmark in 1-year, 5-year and 10-year and since launch periods.

The fund comfortably achieved its objective in 2024, which is to at least earn a net return equal to the “prescribed savings rate” (which is broadly the average rate of interest on a Hong Kong dollar savings account) determined by the MPFA.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee (continued)

##### *Principal China Equity Fund - Class D*

Launch Date: 1 August 2007

Reference Benchmark: FTSE MPF China

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	17.86	-5.76	-0.23	1.18
Benchmark/Performance Target#	19.85	-4.53	0.19	0.68
Deviation	-1.99	-1.23	-0.42	0.50

The fund underperformed the benchmark in 1-year, 5-year period and 10-year periods, but outperformed in since launched period.

Over 2024, the fund outperformed the benchmark in the first half of the year with successful stock selection and sector allocation, while the challenge mainly came from Q3 of the year, when the market had a sharp rebound. The fund's strategy underperformed the benchmark mainly in September as the market rallied on the unexpected large scale economic stimulus while the fund was detracted by the positioning in the defensive sectors.

Investment team will continue to focus on deep fundamental study and technology infrastructure investment. The portfolio remained constructive on HK equity as tariff hike for China is milder than expected but fundamentally, private companies are seeing great potential for rerating due to innovation and narrowing gap in AI and its adoption vs. the western world. There's still room for global/ GEM/ Asian fund to add on HK & China equities before the market rerate to an average valuation due to significant underweight in general.

On 19 July 2024, the investment policy of the underlying fund Principal Life Style Fund – Principal China Equity Fund was amended. Concomitantly, the investment policy of the Principal China Equity Fund was updated to reflect the changes in the underlying fund. After the amendment, the underlying fund may utilize the QFI regime in addition to the Stock Connect to invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges to expand the scope and means of the underlying fund and hence, the Constituent Fund's investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying fund and the Constituent Fund. The underlying fund may also invest less than 70% of its net asset value in eligible China A-Shares and B-Shares listed on the Shanghai and Shenzhen stock exchanges (including the ChiNext market and the Science and Technology Innovation Board ("STAR Board")), in light that the weighting of China A-Shares in benchmark indexes formulated by international index providers continue to increase. Such change is in the interests of investors and the Constituent Fund because it provides for flexibility in portfolio management and allows the underlying fund and the Constituent Fund to tap into the opportunities of investment in Mainland China. There is no increase in the overall risk profiles of the underlying fund and the Constituent Fund.

## PRINCIPAL MPF SCHEME SERIES 800

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

#### Commentary by the Trustee (continued)

##### *Principal China Equity Fund - Class I*

Launch Date: 1 August 2007

Reference Benchmark: FTSE MPF China

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	17.64	-5.96	-0.54	0.90
Benchmark/Performance Target#	19.66	-4.72	0.00	0.49
Deviation	-2.02	-1.24	-0.54	0.41

The fund underperformed the benchmark in 1-year, 5-year period and 10-year periods, but outperformed in since launched period.

Over 2024, the fund outperformed the benchmark in the first half of the year with successful stock selection and sector allocation, while the challenge mainly came from Q3 of the year, when the market had a sharp rebound. The fund's strategy underperformed the benchmark mainly in September as the market rallied on the unexpected large scale economic stimulus while the fund was detracted by the positioning in the defensive sectors.

Investment team will continue to focus on deep fundamental study and technology infrastructure investment. The portfolio remained constructive on HK equity as tariff hike for China is milder than expected but fundamentally, private companies are seeing great potential for rerating due to innovation and narrowing gap in AI and its adoption vs. the western world. There's still room for global/ GEM/ Asian fund to add on HK & China equities before the market rerate to an average valuation due to significant underweight in general.

On 19 July 2024, the investment policy of the underlying fund Principal Life Style Fund – Principal China Equity Fund was amended. Concomitantly, the investment policy of the Principal China Equity Fund was updated to reflect the changes in the underlying fund. After the amendment, the underlying fund may utilize the QFI regime in addition to the Stock Connect to invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges to expand the scope and means of the underlying funds' and hence, the Constituent Funds' investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying funds and the Constituent Funds. The underlying fund may also invest less than 70% of its net asset value in eligible China A-Shares and B-Shares listed on the Shanghai and Shenzhen stock exchanges (including the ChiNext market and the Science and Technology Innovation Board ("STAR Board")), in light that the weighting of China A-Shares in benchmark indexes formulated by international index providers continue to increase. Such change is in the interests of investors and the Constituent Fund because it provides for flexibility in portfolio management and allows the underlying fund and the Constituent Fund to tap into the opportunities of investment in Mainland China. There is no increase in the overall risk profiles of the underlying funds and the Constituent Funds.



PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Global Growth Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>60% - 80% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	7.53	1.81	2.94	4.29
Benchmark/Performance Target#	8.01	1.46	3.11	N/A
Deviation	-0.48	0.35	-0.17	N/A

The fund outperformed the benchmark in 5-year, but underperformed in 1-year period and 10-year periods.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. The performance of the Hong Kong equity sleeve weighed among equity due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Global Growth Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>60% - 80% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	7.31	1.60	2.71	4.15
Benchmark/Performance Target#	7.81	1.26	2.91	N/A
Deviation	-0.50	0.34	-0.20	N/A

The fund outperformed the benchmark in 5-year, but underperformed in 1-year period and 10-year periods.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. The performance of the Hong Kong equity sleeve weighed among equity due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Hang Seng Index Tracking Fund - Class N***

Launch Date: 1 February 2012

Reference Benchmark: Hang Seng Index Total Return Index

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	21.57	-4.28	0.66	1.87
Benchmark/Performance Target#	22.11	-4.05	1.17	2.78
Deviation	-0.54	-0.23	-0.51	-0.91

The fund underperformed the benchmark in 1-year, 5-year, 10-year and since launch periods.

The fund provides investment results that closely correspond to the performance of the Hang Seng Index through investing substantially all of the fund's assets in units of the Tracker Fund of Hong Kong. During the year of 2024, the tracking error and transaction cost remained relatively stable.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Hong Kong Bond Fund - Class N***

Launch Date: 1 February 2012

Reference Benchmark: HSBC Hong Kong Dollar Bond Index/Markit iBoxx ALBI Hong Kong

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	3.09	0.95	1.18	1.11
Benchmark/Performance Target#	2.38	0.58	1.07	1.07
Deviation	0.71	0.37	0.11	0.04

The fund outperformed the benchmark in 1-year, 5-year, 10-year and since launch periods.

In 2024, the fund outperformed the benchmark. Sector allocation was positive due to the underweight in real estate and supranational. Security selection was a contributor as well with the help of the positioning in banking exposures.

In HKD space, in line with past cycles and absent any local factors, it is expected front-end HKD rates to trade inside USD rates as economic growth and potential capital flows return. That said, brief periods of underperformance against USD rates during bouts of funding tightness specially on a buoyant equity market or when HKD spot hovers along the wider band of the trading range, the manager will look to add short end HKD carry trades with attractive rolldown up to five-year area. On the longer end of the HKD rates curve, given its outperformance vs US rates in recent months, the manager will be looking to tactically trade into USD opportunities.

On 19 July 2024, the investment policy of the underlying fund was amended to allow the underlying fund to enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes. Corresponding updates has been made to the investment policy of the Principal Hong Kong Bond Fund. There is no increase in the overall risk profile of the underlying fund and hence, Principal Hong Kong Bond Fund.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal HK Dollar Savings Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: MPF Prescribed Savings Rate

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	3.78	1.49	0.98	0.77
Benchmark/Performance Target#	0.81	0.33	0.18	0.43
Deviation	2.97	1.16	0.80	0.34

The fund outperformed the benchmark in 1-year, 5-year and 10-year and since launch periods.

During the year of 2024, the strategy of optimizing yield across various options in time deposits, certificate of deposits and public market securities to generate excess returns over the savings rate remains unchanged. Over longer time periods, the fund performance remained competitive against the savings rate.

The manager retains the bias to extend portfolio duration by taking advantage of any jump in short-term yields and reinvest at higher rates with occasional spikes in funding levels. With the HKD curve remaining inverted, the manager will seek to capture attractive medium-term carry opportunities along the two to three years part of the curve.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal HK Dollar Savings Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: MPF Prescribed Savings Rate

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	3.74	1.46	0.95	0.74
Benchmark/Performance Target#	0.81	0.33	0.18	0.43
Deviation	2.93	1.13	0.77	0.31

The fund outperformed the benchmark in 1-year, 5-year and 10-year and since launch periods.

During the year of 2024, the strategy of optimizing yield across various options in time deposits, certificate of deposits and public market securities to generate excess returns over the savings rate remains unchanged. Over longer time periods, the fund performance remained competitive against the savings rate.

The manager retains the bias to extend portfolio duration by taking advantage of any jump in short-term yields and reinvest at higher rates with occasional spikes in funding levels. With the HKD curve remaining inverted, the manager will seek to capture attractive medium-term carry opportunities along the two to three years part of the curve.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Hong Kong Equity Fund - Class D***

Launch Date: 1 September 2006

Reference Benchmark: FTSE MPF Hong Kong

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	15.21	-4.71	0.26	4.45
Benchmark/Performance Target#	18.42	-4.51	0.37	3.45
Deviation	-3.21	-0.20	-0.11	1.00

The fund underperformed the benchmark in 1-year, 5-year period and 10-year periods, but outperformed in since launched period.

Over 2024, the fund outperformed the benchmark in the first half of the year with successful stock selection and sector allocation, while the challenge mainly came from Q3 of the year, when the market had a sharp rebound. The performance underperformed benchmark during this period due to strong reversals of top-down policies instead of a bottom-up driven market, and the fund was detracted by the positioning in the defensive sectors.

Investment team will continue to focus on deep fundamental study and technology infrastructure investment. The portfolio remained constructive on HK equity as tariff hike for China is milder than expected but fundamentally, private companies are seeing great potential for rerating due to innovation and narrowing gap in AI and its adoption vs. the western world. There's still room for global/ GEM/ Asian fund to add on HK & China equities before the market rerate to an average valuation due to significant underweight in general.

On 19 July 2024, the investment policies of the underlying fund of Principal Hong Kong Equity Fund were amended to provide that the underlying fund may invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges via the Stock Connect and/or the QFI regime. In light of the above changes to the investment policy of the underlying fund, corresponding updates has been made to the respective investment policies of Principal Hong Kong Equity Fund. This change expands the scope and means of the underlying fund and hence, the Constituent Fund's investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying fund and the Constituent Fund. There is no increase in the overall risk profiles of the underlying fund and the Constituent Fund.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Hong Kong Equity Fund - Class I***

Launch Date: 1 September 2006

Reference Benchmark: FTSE MPF Hong Kong

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	15.09	-4.80	0.16	4.31
Benchmark/Performance Target#	18.32	-4.61	0.27	3.35
Deviation	-3.23	-0.19	-0.11	0.96

The fund underperformed the benchmark in 1-year, 5-year period and 10-year periods, but outperformed in since launched period.

Over 2024, the fund outperformed the benchmark in the first half of the year with successful stock selection and sector allocation, while the challenge mainly came from Q3 of the year, when the market had a sharp rebound. The performance underperformed benchmark during this period due to strong reversals of top-down policies instead of a bottom-up driven market, and the fund was detracted by the positioning in the defensive sectors.

Investment team will continue to focus on deep fundamental study and technology infrastructure investment. The portfolio remained constructive on HK equity as tariff hike for China is milder than expected but fundamentally, private companies are seeing great potential for rerating due to innovation and narrowing gap in AI and its adoption vs. the western world. There's still room for global/ GEM/ Asian fund to add on HK & China equities before the market rerate to an average valuation due to significant underweight in general.

On 19 July 2024, the investment policies of the underlying fund of Principal Hong Kong Equity Fund were amended to provide that the underlying fund may invest in eligible China A-Shares and B-Shares listed on Shanghai and Shenzhen stock exchanges via the Stock Connect and/or the QFI regime. In light of the above changes to the investment policy of the underlying fund, corresponding updates has been made to the respective investment policies of Principal Hong Kong Equity Fund. This change expands the scope and means of the underlying fund and hence, the Constituent Fund's investment in Mainland China, and so provides greater flexibility in portfolio management and is expected to achieve better performance outcomes for the underlying fund and the Constituent Fund. There is no increase in the overall risk profiles of the underlying fund and the Constituent Fund.



PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal International Bond Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: FTSE World Government Bond Index (35% HKD hedged)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	-3.71	-3.06	-0.90	1.84
Benchmark/Performance Target#	-2.97	-3.56	-1.22	1.70
Deviation	-0.74	0.50	0.32	0.14

The fund underperformed in 1-year period, but outperformed the benchmark in 5-year, 10-year and since launch periods.

In 2024, the fixed income market underwent a substantial shift due to adjustments in the U.S. Federal Reserve's monetary policy. Over 2024, the fund underperformed the benchmark given the duration positioning and the additional allocation in credits compared to the index.

The manager believes this respite is temporary, and growth and inflation fundamentals would reassert as dominant drivers over the course of the year. Globally, political challenges in Europe is likely to push back recovery. While US fundamentals remain firm, it is vulnerable to market pricing. Asia pacific may prove to be a more positive relative to expectations to benefit from China's stimulus as well as functioning as intermediaries between US and China.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal International Bond Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: FTSE World Government Bond Index (35% HKD hedged)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	-3.71	-3.05	-0.93	1.78
Benchmark/Performance Target#	-2.97	-3.56	-1.22	1.70
Deviation	-0.74	0.51	0.29	0.08

The fund underperformed in 1-year period, but outperformed the benchmark in 5-year, 10-year and since launch periods.

In 2024, the fixed income market underwent a substantial shift due to adjustments in the U.S. Federal Reserve's monetary policy. Over 2024, the fund underperformed the benchmark given the duration positioning and the additional allocation in credits compared to the index.

The manager believes this respite is temporary, and growth and inflation fundamentals would reassert as dominant drivers over the course of the year. Globally, political challenges in Europe is likely to push back recovery. While US fundamentals remain firm, it is vulnerable to market pricing. Asia pacific may prove to be a more positive relative to expectations to benefit from China's stimulus as well as functioning as intermediaries between US and China.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal International Equity Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: FTSE MPF All-World (35% HK\$ hedged)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	10.68	8.13	6.23	4.32
Benchmark/Performance Target#	16.79	9.47	8.53	N/A
Deviation	-6.11	-1.34	-2.30	N/A

The fund underperformed the benchmark in 1-year, 5-year and 10-year periods.

Much of the weakness were shown in the second half of the year, which has been technical in nature and not fundamentally driven. Most of the challenges were driven by dynamics within the information technology sector. A troughing in the chip industry failed to materialize, weighing on the portfolio exposure, while in software, investors sought historically expensive and/or unprofitable companies that are supposedly tied to AI growth in any form or fashion.

Despite a very challenging second half of 2024, in terms of performance, the investment team still have high conviction in the positioning of the portfolio. The investment team remains focused on the holdings' long-term fundamentals and not getting caught up in the abrupt shifts in market sentiment and volatility. The downturn has been exacerbated by technical dynamics and margin calls. Subsequently, the investment team is working diligently on where the price movements have gone too far and finding attractive entry points based upon the fundamental analysis.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal International Equity Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: FTSE MPF All-World (35% HK\$ hedged)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	10.47	7.89	5.91	4.11
Benchmark/Performance Target#	16.60	9.28	8.34	N/A
Deviation	-6.13	-1.39	-2.43	N/A

The fund underperformed the benchmark in 1-year, 5-year and 10-year periods.

Much of the weakness were shown in the second half of the year, which has been technical in nature and not fundamentally driven. Most of the challenges were driven by dynamics within the information technology sector. A troughing in the chip industry failed to materialize, weighing on the portfolio exposure, while in software, investors sought historically expensive and/or unprofitable companies that are supposedly tied to AI growth in any form or fashion.

Despite a very challenging second half of 2024, in terms of performance, the investment team still have high conviction in the positioning of the portfolio. The investment team remains focused on the holdings' long-term fundamentals and not getting caught up in the abrupt shifts in market sentiment and volatility. The downturn has been exacerbated by technical dynamics and margin calls. Subsequently, the investment team is working diligently on where the price movements have gone too far and finding attractive entry points based upon the fundamental analysis.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Long Term Accumulation Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>40% - 60% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	4.21	0.58	1.97	3.11
Benchmark/Performance Target#	4.92	0.10	1.92	N/A
Deviation	-0.71	0.48	0.05	N/A

The fund outperformed the benchmark in 5-year and 10-year periods, but underperformed in 1-year period.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. For equity side, the performance of the Hong Kong equity sleeve weighed due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Long Term Accumulation Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>40% - 60% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	4.00	0.37	1.74	2.98
Benchmark/Performance Target#	4.72	-0.10	1.72	N/A
Deviation	-0.72	0.47	0.02	N/A

The fund outperformed the benchmark in 5-year and 10-year periods, but underperformed in 1-year period.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. For equity side, the performance of the Hong Kong equity sleeve weighed due to strong reversals of top-down policies instead of a bottom-up driven market. The international bond sleeve has also put pressure to the overall performance given the duration positioning and the additional allocation in credits compared to the index. However, the asset allocation alpha contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Long Term Guaranteed Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: HK Inflation Rate

Qualified members are entitled to the maximum of qualifying balance (i.e. grow by current guarantee rate 1% per annum) or market value return during the qualifying period. This fund was terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Long Term Guaranteed Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: HK Inflation Rate

Qualified members are entitled to the maximum of qualifying balance (i.e. grow by current guarantee rate 1% per annum) or market value return during the qualifying period. This fund was terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.



PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Stable Yield Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>20% - 40% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	1.34	-0.55	1.01	2.54
Benchmark/Performance Target#	2.01	-1.13	0.71	N/A
Deviation	-0.67	0.58	0.30	N/A

The fund outperformed the benchmark in 5-year and 10-year periods, but underperformed in 1-year period.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. The performance of the Hong Kong equity sleeve weighed among equity due to strong reversals of top-down policies instead of a bottom-up driven market. For fixed income side, the duration positioning has weighed on the asset allocation of the fund and the underlying international bond fund sleeve during the fixed income markets sold off in the quarter of the year, while the additional credit allocation compared to the index in international bond fund sleeve also put pressure to the performance. However, the asset allocation alpha still contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal Stable Yield Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: Willis Towers Watson Composite Benchmark (>20% - 40% Equity)

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	1.14	-0.76	0.78	2.41
Benchmark/Performance Target#	1.81	-1.33	0.51	N/A
Deviation	-0.67	0.57	0.27	N/A

The fund outperformed the benchmark in 5-year and 10-year periods, but underperformed in 1-year period.

2024 was a busy political election year in the globe, equity registered another year of good gains and outperforming fixed income on the back of disinflation traction, easier monetary policies and soft-landing expectation. The fund underperformed benchmark in 2024 with relative performance of the underlying funds being the key detractor, mainly in the second half of the year. The performance of the Hong Kong equity sleeve weighed among equity due to strong reversals of top-down policies instead of a bottom-up driven market. For fixed income side, the duration positioning has weighed on the asset allocation of the fund and the underlying international bond fund sleeve during the fixed income markets sold off in the quarter of the year, while the additional credit allocation compared to the index in international bond fund sleeve also put pressure to the performance. However, the asset allocation alpha still contributed positively over the year and offset part of the impact.

From asset allocation perspective, the asset allocation team has been generating positive alpha through tactical asset allocation calls. Investment team is actively using ITCISs to keep liquidity and avoid some style bias from the underlying managers amid market volatilities.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal US Equity Fund - Class D***

Launch Date: 1 December 2000

Reference Benchmark: S&P 500 NR

	<b>1 year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since</b>
	<b>(%)</b>	<b>ann. (%)</b>	<b>ann. (%)</b>	<b>Launch</b>
				<b>ann. (%)</b>
Fund Performance*	22.15	11.64	9.66	5.42
Benchmark/Performance Target#	22.55	12.66	11.26	6.57
Deviation	-0.40	-1.02	-1.60	-1.15

The fund underperformed the benchmark in 1-year, 5-year, 10-year and since launch periods.

During the year of 2024, the fund performed largely in line with the index. The lag of benchmark in longer term was mostly still weighed by the past performance in 2019 and 2020, which was a result of its strategic allocation in small cap stocks. To reduce the overall volatilities and align the fund with market peers, the market cap positioning was restructured in 2021 to peg against the index. The fund maintained a low active share throughout the year, in recognition of the potential market uncertainties, taking into consideration of quality, value and momentum factors in the security selection and portfolio construction process.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Commentary by the Trustee (continued)**

***Principal US Equity Fund - Class I***

Launch Date: 1 December 2000

Reference Benchmark: S&P 500 NR

	<b>1 year (%)</b>	<b>5 year ann. (%)</b>	<b>10 year ann. (%)</b>	<b>Since Launch ann. (%)</b>
Fund Performance*	21.92	11.40	9.32	5.22
Benchmark/Performance Target#	22.36	12.47	11.07	6.38
Deviation	-0.44	-1.07	-1.75	-1.16

The fund underperformed the benchmark in 1-year, 5-year, 10-year and since launch periods.

During the year of 2024, the fund performed largely in line with the index. The lag of benchmark in longer term was mostly still weighed by the past performance in 2019 and 2020, which was a result of its strategic allocation in small cap stocks. To reduce the overall volatilities and align the fund with market peers, the market cap positioning was restructured in 2021 to peg against the index. The fund maintained a low active share throughout the year, in recognition of the potential market uncertainties, taking into consideration of quality, value and momentum factors in the security selection and portfolio construction process.

**Performance assessment framework:**

Principal Trust Company (Asia) Limited (the “Trustee”) and Principal Asset Management Company (Asia) Limited (the “Investment Manager”) take continuous efforts in reviewing and improving the performance of the Constituent Funds. Currently, an investment committee is in place to oversee the performance of the Constituent Funds and the underlying fund managers. Appropriate qualitative and quantitative assessments are utilized to monitor all Constituent Funds with the oversight of a local investment committee. Ongoing conference calls or meetings with delegate managers are conducted to review each investment team and strategy and discuss business goals. The objective of this qualitative assessment is to ensure the delegate managers retain the organizational traits and the investment process characteristics that served as the basis for the original hiring decision. Meanwhile, quantitative assessments focus on those elements that can be measured objectively and compared to certain targets or goals. The most common and important form of quantitative assessment is the periodic review of historical performance against benchmarks and peers. Assessment of concerned funds would be further conducted, whilst appropriate actions would be taken if necessary, including but not limited to rebalancing the strategic asset allocation, replacing the existing underlying funds and reviewing the investment objective and policy. The Board of the Trustee will review the performance results and enhancement plans delivered by the investment committee on a quarterly basis.

The Trustee and Investment Manager and/or the underlying Delegate Investment Managers will continue to monitor the Constituent Funds with underperformance issues and the effect of implemented changes (if any) as noted on the respective commentary in the previous section.

PRINCIPAL MPF SCHEME SERIES 800

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Changes in the statement of investment policy**

*Principal Age 65 Plus Fund*  
*Principal Aggressive Strategy Fund*  
*Principal Asian Bond Fund*  
*Principal Asian Equity Fund*  
*Principal Capital Guaranteed Fund*  
*Principal Core Accumulation Fund*  
*Principal MPF Conservative Fund*  
*Principal China Equity Fund*  
*Principal Global Growth Fund*  
*Principal Hang Seng Index Tracking Fund*  
*Principal Hong Kong Bond Fund*  
*Principal HK Dollar Savings Fund*  
*Principal Hong Kong Equity Fund*  
*Principal International Bond Fund*  
*Principal International Equity Fund*  
*Principal Long Term Accumulation Fund*  
*Principal Long Term Guaranteed Fund*  
*Principal Stable Yield Fund*  
*Principal US Equity Fund*

During the year under review, there were no major changes in the investment objectives and policies of the above funds that would significantly affect their risks profile.

For and on behalf of  
**Principal Trust Company (Asia) Limited**

*Martin Tan*



Hong Kong  
30 June 2025

## PRINCIPAL MPF SCHEME SERIES 800

### SCHEME REPORT

The Trustee hereby submits the scheme report together with the audited financial statements of Principal MPF Scheme Series 800 (the "Scheme") for the year ended 31 December 2024.

#### The Scheme

The Scheme is a master trust scheme registered in accordance with the Mandatory Provident Fund Schemes Ordinance (the "Ordinance") for the purpose of providing retirement benefits to members. The Scheme was established under a Master Trust Deed dated 31 January 2000, as subsequently amended and restated. The Scheme is registered under section 21 of the Ordinance.

#### Financial development

During the year, the Scheme operated in accordance with the MPF regime. All assets of the Scheme are invested in accordance with the prescribed policy in the Master Trust Deed.

#### Enquiry

Further information about the Scheme and its operation can be obtained by contacting Principal Trust Company (Asia) Limited, the administrator of the Scheme, at 2827-1233 or via the internet at [www.principal.com.hk](http://www.principal.com.hk).

#### Directory of parties

Details of those parties engaged by the Trustee for the purposes of providing services to the Scheme during the year ended 31 December 2024 are set out on page 1.

Principal Financial Group, Inc. is the ultimate holding company of Principal Trust Company (Asia) Limited, Principal Insurance Company (Hong Kong) Limited and Principal Asset Management Company (Asia) Limited.

#### Change to the governing rules

During the financial year ended 31 December 2024, the governing rules of the Scheme have not been changed.

PRINCIPAL MPF SCHEME SERIES 800

SCHEME REPORT (continued)

Directors

The directors of Principal Trust Company (Asia) Limited during the year and up to the date of this report were:

Cheong Wee Yee  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Lau Martin Kin Yeung  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

John Michael Egan  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Uday Jayaram  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Liu Man Kwong (resigned on 31 May 2024)  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Lam Heung Yeung Herman  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Hong Mei Knight  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong



## PRINCIPAL MPF SCHEME SERIES 800

### SCHEME REPORT (continued)

#### Controllers

The controllers of Principal Insurance Company (Hong Kong) Limited during the year and up to the date of this report were:

Julian Christopher Vivian Pull  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Lau Martin Kin Yeung  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

John Michael Egan  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Wong Yuk Ying  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Li Wing Kuen  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

Principal International (Asia) Limited  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Principal Financial Group, Inc.  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

Principal Financial Services, Inc.  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

Principal International, LLC  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

PRINCIPAL MPF SCHEME SERIES 800

SCHEME REPORT (continued)

Controllers

The controllers of Principal Asset Management Company (Asia) Limited during the year and up to the date of this report were:

Kenneth Kirk West (resigned on 21 June 2024)  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Chiu Siu Po Steve  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Zhong Rongsa  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Rohit Vohra  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Raj Kumar Singh (appointed on 27 August 2024)  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Principal International (Asia) Limited  
29/F, Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

Principal Financial Group, Inc.  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

Principal Financial Services, Inc.  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

PRINCIPAL MPF SCHEME SERIES 800

SCHEME REPORT (continued)

Controllers

Principal International, LLC  
711 High Street, Des Moines  
Iowa 50392, U.S.A.

For and on behalf of  
**Principal Trust Company (Asia) Limited**

*Martinau*

Hong Kong  
30 June 2025





Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道 979 號  
太古坊一座 27 樓

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Fax 傳真: +852 2868 4432  
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## **Independent auditor's report To the Trustee of Principal MPF Scheme Series 800**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Principal MPF Scheme Series 800 (the "Scheme") set out on pages 117 to 178 which comprise the statement of net assets available for benefits as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets available for benefits and the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2024, and of its financial transactions and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

#### **Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information included in the Annual Report**

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Trustee for the Financial Statements**

The Trustee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditor's report (continued)**  
**To the Trustee of Principal MPF Scheme Series 800**

**Responsibilities of Trustee for the Financial Statements (continued)**

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

In addition, the Trustee is required to ensure that the financial statements have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

The Trustee is responsible for overseeing the Scheme's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Scheme have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

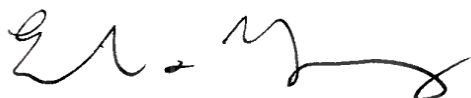
**Independent auditor's report (continued)**  
**To the Trustee of Principal MPF Scheme Series 800**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on matters under the Mandatory Provident Fund Schemes (General) Regulation**

- (a) In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- (b) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



Certified Public Accountants  
Hong Kong  
30 June 2025

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

		2024									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Income</b>											
Distribution income		-	-	-	-	-	-	-	-	-	66,495,275
Gains/(losses) on investments	4	117,650,891	137,479,708	6,631,414	399,688,534	-	301,408,483	240,817,769	423,038,584	338,644,072	277,904,374
Interest income	3	-	-	-	-	-	-	-	-	-	66
Other income		-	-	-	-	-	-	-	-	-	609,421
		<u>117,650,891</u>	<u>137,479,708</u>	<u>6,631,414</u>	<u>399,688,534</u>	<u>-</u>	<u>301,408,483</u>	<u>240,817,769</u>	<u>423,038,584</u>	<u>338,644,072</u>	<u>345,009,136</u>
<b>Expenses</b>											
Audit fee		(33,203)	(13,002)	(2,703)	(43,047)	-	(38,925)	(78,546)	(31,454)	(45,166)	(22,603)
Investment management fee	6(a),6(c)	(7,908,140)	(4,446,994)	(410,713)	(15,176,145)	-	(8,509,879)	(5,521,145)	(9,770,340)	(13,897,241)	(822,701)
Investment transaction costs		-	-	-	-	-	-	-	-	-	(233,797)
Legal and professional fees		(94,094)	(42,650)	(7,337)	(134,085)	-	(71,630)	(186,838)	(92,844)	(139,388)	(61,809)
Licence fees		-	-	-	-	-	-	-	-	-	(411,351)
Operating expenses	6(d)	(488,303)	(282,888)	(52,551)	(940,854)	-	(634,107)	(1,303,288)	(684,713)	(993,085)	(750,678)
Sponsor fee	6(a),6(e)	-	(2,403,781)	(410,713)	(7,588,073)	-	-	(11,042,291)	(4,885,170)	(7,941,281)	(3,290,805)
Trustee and administrator fee	6(a),6(b)	(15,816,280)	(10,521,688)	(1,108,925)	(31,505,002)	-	(17,019,758)	(35,887,445)	(20,245,789)	(35,230,741)	(8,556,093)
		<u>(24,340,020)</u>	<u>(17,711,003)</u>	<u>(1,992,942)</u>	<u>(55,387,206)</u>	<u>-</u>	<u>(26,274,299)</u>	<u>(54,019,553)</u>	<u>(35,710,310)</u>	<u>(58,246,902)</u>	<u>(14,149,837)</u>
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income for the year</b>											
		<u>93,310,871</u>	<u>119,768,705</u>	<u>4,638,472</u>	<u>344,301,328</u>	<u>-</u>	<u>275,134,184</u>	<u>186,798,216</u>	<u>387,328,274</u>	<u>280,397,170</u>	<u>330,859,299</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 31 December 2024

		2024 (continued)										
		Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$ (Note 5)	Total HK\$
Notes												
<b>Income</b>												
Distribution income		-	-	-	-	-	-	-	-	-	-	66,495,275
Gains/(losses) on investments	4	23,539,293	104,223,533	476,366,918	(31,023,190)	278,842,466	106,644,433	-	55,829,797	1,099,373,714	-	4,357,060,793
Interest income	3	-	-	-	-	-	-	-	-	-	594	660
Other income		-	-	-	-	-	-	-	-	-	-	609,421
		<u>23,539,293</u>	<u>104,223,533</u>	<u>476,366,918</u>	<u>(31,023,190)</u>	<u>278,842,466</u>	<u>106,644,433</u>	<u>-</u>	<u>55,829,797</u>	<u>1,099,373,714</u>	<u>594</u>	<u>4,424,166,149</u>
<b>Expenses</b>												
Audit fee		(6,769)	(24,182)	(38,304)	(11,769)	(22,370)	(22,752)	-	(24,297)	(51,761)	-	(510,853)
Investment management fee	6(a),6(c)	(1,479,172)	(2,236,997)	(12,306,013)	(2,848,763)	(10,314,178)	(6,861,737)	-	(7,392,124)	(21,512,737)	-	(131,415,019)
Investment transaction costs		-	-	-	-	-	-	-	-	-	-	(233,797)
Legal and professional fees		(20,464)	(77,410)	(115,870)	(40,662)	(88,585)	(68,411)	-	(73,550)	(186,772)	-	(1,502,399)
Licence fees		-	-	-	-	-	-	-	-	-	-	(411,351)
Operating expenses	6(d)	(151,042)	(535,007)	(839,245)	(263,145)	(587,382)	(503,348)	-	(537,317)	(1,281,361)	(594)	(10,828,908)
Sponsor fee	6(a),6(e)	(1,183,338)	(4,473,995)	(6,153,006)	(2,279,010)	(5,157,089)	(3,920,993)	-	(4,224,071)	(10,756,368)	-	(75,709,984)
Trustee and administrator fee	6(a),6(b)	(3,195,012)	(15,366,292)	(22,931,018)	(9,116,040)	(21,189,046)	(17,237,585)	-	(18,832,304)	(44,653,991)	-	(328,413,009)
		<u>(6,035,797)</u>	<u>(22,713,883)</u>	<u>(42,383,456)</u>	<u>(14,559,389)</u>	<u>(37,358,650)</u>	<u>(28,614,826)</u>	<u>-</u>	<u>(31,083,663)</u>	<u>(78,442,990)</u>	<u>(594)</u>	<u>(549,025,320)</u>
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income for the year</b>												
		<u>17,503,496</u>	<u>81,509,650</u>	<u>433,983,462</u>	<u>(45,582,579)</u>	<u>241,483,816</u>	<u>78,029,607</u>	<u>-</u>	<u>24,746,134</u>	<u>1,020,930,724</u>	<u>-</u>	<u>3,875,140,829</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.



PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 31 December 2024

		2023									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Income</b>											
Distribution income		-	-	-	-	-	-	-	-	-	57,463,275
Gains/(losses) on investments	4	234,469,011	93,540,826	11,892,343	220,817,923	53,076,960	380,055,283	144,354,093	(406,573,106)	301,450,744	(234,652,852)
Interest income	3	-	-	-	-	-	-	-	-	-	85
Other income		2,893	4,605	-	2,723	1,397,345	11,609	-	61,482	11,314	14,353
		<u>234,471,904</u>	<u>93,545,431</u>	<u>11,892,343</u>	<u>220,820,646</u>	<u>54,474,305</u>	<u>380,066,892</u>	<u>144,354,093</u>	<u>(406,511,624)</u>	<u>301,462,058</u>	<u>(177,175,139)</u>
<b>Expenses</b>											
Audit fee		(20,402)	(13,309)	(3,546)	(49,267)	(28,995)	(53,342)	(41,739)	(37,010)	(66,071)	(36,347)
Investment management fee	6(a),6(c)	(3,313,086)	(4,198,539)	(344,933)	(14,512,943)	(2,147,456)	(6,561,740)	(3,208,927)	(10,791,776)	(13,473,999)	(847,688)
Investment transaction costs		-	-	-	-	-	-	-	-	-	(223,143)
Legal and professional fees		(31,008)	(35,815)	(5,654)	(117,217)	(31,651)	(86,206)	(91,382)	(84,963)	(121,150)	(54,570)
Licence fees		-	-	-	-	-	-	-	-	-	(423,844)
Operating expenses	6(d)	(369,625)	(343,746)	(71,413)	(1,107,216)	(542,369)	(941,825)	(1,258,213)	(827,406)	(1,332,130)	(1,311,367)
Sponsor fee	6(a),6(e)	-	(2,269,481)	(344,933)	(7,256,471)	(4,294,913)	-	(6,417,855)	(5,395,888)	(7,699,428)	(3,390,752)
Trustee and administrator fee	6(a),6(b)	(6,626,171)	(9,943,876)	(931,319)	(30,136,362)	(23,492,876)	(13,123,480)	(20,858,028)	(22,368,491)	(34,156,813)	(8,815,954)
		<u>(10,360,292)</u>	<u>(16,804,766)</u>	<u>(1,701,798)</u>	<u>(53,179,476)</u>	<u>(30,538,260)</u>	<u>(20,766,593)</u>	<u>(31,876,144)</u>	<u>(39,505,534)</u>	<u>(56,849,591)</u>	<u>(15,103,665)</u>
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income for the year</b>											
		<u>224,111,612</u>	<u>76,740,665</u>	<u>10,190,545</u>	<u>167,641,170</u>	<u>23,936,045</u>	<u>359,300,299</u>	<u>112,477,949</u>	<u>(446,017,158)</u>	<u>244,612,467</u>	<u>(192,278,804)</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 31 December 2024

Notes	2023 (continued)										Total HK\$
	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$ (Note 5)	
<b>Income</b>											
Distribution income	-	-	-	-	-	-	-	-	-	-	57,463,275
Gains/(losses) on investments	4	41,321,671	102,779,760	(396,533,286)	67,671,190	444,148,752	143,443,088	47,637,552	143,959,438	898,480,504	2,291,339,894
Interest income	3	-	-	-	-	-	-	-	-	1,281	1,366
Other income		19,923	8,448	30,339	5,997	9,420	8,564	24,456	8,762	32,043	1,654,276
		<u>41,341,594</u>	<u>102,788,208</u>	<u>(396,502,947)</u>	<u>67,677,187</u>	<u>444,158,172</u>	<u>143,451,652</u>	<u>47,662,008</u>	<u>143,968,200</u>	<u>898,512,547</u>	<u>2,350,458,811</u>
<b>Expenses</b>											
Audit fee		(8,166)	(26,314)	(44,435)	(14,125)	(29,138)	(30,754)	(25,462)	(34,654)	(67,918)	(630,994)
Investment management fee	6(a),6(c)	(1,435,725)	(2,064,550)	(13,421,578)	(2,535,727)	(8,035,832)	(6,744,186)	(3,047,059)	(7,180,077)	(15,987,774)	(119,853,595)
Investment transaction costs		-	-	-	-	-	-	-	-	-	(223,143)
Legal and professional fees		(18,251)	(64,616)	(106,989)	(32,133)	(65,864)	(60,962)	(20,552)	(65,003)	(131,867)	(1,225,853)
Licence fees		-	-	-	-	-	-	-	-	-	(423,844)
Operating expenses	6(d)	(183,956)	(650,397)	(1,022,258)	(317,566)	(649,828)	(648,981)	(387,910)	(716,906)	(1,512,019)	(14,196,412)
Sponsor fee	6(a),6(e)	(1,148,580)	(4,129,100)	(6,710,789)	(2,028,581)	(4,017,916)	(3,853,820)	(3,047,059)	(4,102,901)	(7,993,887)	(74,102,354)
Trustee and administrator fee	6(a),6(b)	(3,101,166)	(14,183,324)	(25,015,555)	(8,114,325)	(16,488,055)	(16,940,738)	(23,708,614)	(18,294,853)	(33,207,727)	(329,507,727)
		<u>(5,895,844)</u>	<u>(21,118,301)</u>	<u>(46,321,604)</u>	<u>(13,042,457)</u>	<u>(29,286,633)</u>	<u>(28,279,441)</u>	<u>(30,236,656)</u>	<u>(30,394,394)</u>	<u>(58,901,192)</u>	<u>(540,163,922)</u>
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income for the year</b>		<u>35,445,750</u>	<u>81,669,907</u>	<u>(442,824,551)</u>	<u>54,634,730</u>	<u>414,871,539</u>	<u>115,172,211</u>	<u>17,425,352</u>	<u>113,573,806</u>	<u>839,611,355</u>	<u>1,810,294,889</u>

\* These Constituent Funds were terminated on 26 October 2023.

# PRINCIPAL MPF SCHEME SERIES 800

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

31 December 2024

		2024									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Assets</b>											
Investments measured at fair value through profit or loss	7	3,148,036,579	1,216,608,092	223,108,194	3,739,802,866	-	3,706,838,804	5,678,152,074	2,680,496,623	3,958,974,070	1,775,545,880
Subscriptions in transit		9,797,934	1,771,055	1,329,923	6,996,144	-	14,932,289	40,642,648	8,564,757	7,586,684	8,072,951
Contributions receivable											
- by employers		-	-	-	-	-	-	-	-	-	-
- by employees		-	-	-	-	-	-	-	-	-	-
Amounts receivable from brokers		12,667,017	2,068,495	1,037,393	8,442,611	-	12,372,821	26,592,091	7,612,505	4,908,337	5,908,194
Cash and cash equivalents	8	-	-	-	-	-	-	-	-	-	4,165,236
Other receivables		-	-	-	-	-	-	-	-	-	-
		<u>3,170,501,530</u>	<u>1,220,447,642</u>	<u>225,475,510</u>	<u>3,755,241,621</u>	<u>-</u>	<u>3,734,143,914</u>	<u>5,745,386,813</u>	<u>2,696,673,885</u>	<u>3,971,469,091</u>	<u>1,793,692,261</u>
<b>Liabilities</b>											
Amounts pending for allocation		-	-	-	-	-	-	-	-	-	-
Amounts payable on redemptions		14,936,855	2,526,247	1,108,482	11,272,032	-	16,738,600	35,127,807	8,646,061	6,470,421	9,853,782
Amounts payable to brokers		6,895,052	1,271,931	983,103	5,585,171	-	12,429,497	25,959,260	8,065,368	5,444,992	2,411,878
Accrued expenses and other payables		2,174,355	2,138,999	293,057	5,451,150	-	3,275,495	5,168,806	3,817,641	5,378,705	3,639,372
		<u>24,006,262</u>	<u>5,937,177</u>	<u>2,384,642</u>	<u>22,308,353</u>	<u>-</u>	<u>32,443,592</u>	<u>66,255,873</u>	<u>20,529,070</u>	<u>17,294,118</u>	<u>15,905,032</u>
<b>Net assets available for benefits</b>		<u>3,146,495,268</u>	<u>1,214,510,465</u>	<u>223,090,868</u>	<u>3,732,933,268</u>	<u>-</u>	<u>3,701,700,322</u>	<u>5,679,130,940</u>	<u>2,676,144,815</u>	<u>3,954,174,973</u>	<u>1,777,787,229</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2024 (continued)										
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$	Total HK\$
<b>Assets</b>												
Investments measured at fair value through profit or loss	7	611,637,516	2,304,224,297	3,262,773,290	1,177,738,399	2,578,929,952	1,931,218,393	-	2,085,224,001	5,908,263,580	-	45,987,572,610
Subscriptions in transit		1,053,128	19,733,363	10,342,173	5,842,874	9,193,596	3,381,070	-	6,058,150	42,201,684	-	197,500,423
Contributions receivable												
- by employers		-	-	-	-	-	-	-	-	-	125,948,222	125,948,222
- by employees		-	-	-	-	-	-	-	-	-	97,446,686	97,446,686
Amounts receivable from brokers		1,755,599	14,815,921	13,096,566	4,679,281	7,867,544	2,857,953	-	5,929,470	16,649,245	1,369,341	150,630,384
Cash and cash equivalents	8	-	-	-	-	-	-	-	-	-	92,555,103	96,720,339
Other receivables		-	-	-	-	-	-	-	-	-	41,035,234	41,035,234
		<u>614,446,243</u>	<u>2,338,773,581</u>	<u>3,286,212,029</u>	<u>1,188,260,554</u>	<u>2,595,991,092</u>	<u>1,937,457,416</u>	<u>-</u>	<u>2,097,211,621</u>	<u>5,967,114,509</u>	<u>358,354,586</u>	<u>46,696,853,898</u>
<b>Liabilities</b>												
Amounts pending for allocation		-	-	-	-	-	-	-	-	-	49,460,113	49,460,113
Amounts payable on redemptions		2,256,796	18,143,489	16,787,044	6,819,964	9,421,884	4,034,511	-	7,916,131	23,659,693	28,782,788	224,502,587
Amounts payable to brokers		685,984	15,582,998	7,377,672	5,001,893	6,961,379	2,837,927	-	4,721,716	30,048,025	24,657,337	166,921,183
Accrued expenses and other payables		598,121	2,185,424	4,246,649	1,392,853	3,390,138	2,635,738	-	2,853,662	7,741,663	32,059,440	88,441,268
		<u>3,540,901</u>	<u>35,911,911</u>	<u>28,411,365</u>	<u>13,214,710</u>	<u>19,773,401</u>	<u>9,508,176</u>	<u>-</u>	<u>15,491,509</u>	<u>61,449,381</u>	<u>134,959,678</u>	<u>529,325,151</u>
<b>Net assets available for benefits</b>		<u>610,905,342</u>	<u>2,302,861,670</u>	<u>3,257,800,664</u>	<u>1,175,045,844</u>	<u>2,576,217,691</u>	<u>1,927,949,240</u>	<u>-</u>	<u>2,081,720,112</u>	<u>5,905,665,128</u>	<u>223,394,908</u>	<u>46,167,528,747</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2024									
		Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Number of units in issue</b>	Notes										
- D Class	9	-	1,113,160.9630	-	4,055,217.8100	-	-	-	13,027,081.1390	9,154,255.9010	-
- I Class		-	45,798,975.0910	-	78,675,136.5050	-	-	-	214,854,658.2200	138,634,558.8530	-
- N Class		<u>269,481,434.0770</u>	<u>-</u>	<u>23,097,089.8080</u>	<u>-</u>	<u>-</u>	<u>240,746,815.4650</u>	<u>460,133,170.8310</u>	<u>-</u>	<u>-</u>	<u>139,948,366.7850</u>
<b>Net asset value per unit</b>											
- D Class		-	26.3109	-	47.1157	-	-	-	12.2589	27.5033	-
- I Class		-	25.8788	-	45.0189	-	-	-	11.7123	26.7062	-
- N Class		<u>11.6761</u>	<u>-</u>	<u>9.6588</u>	<u>-</u>	<u>-</u>	<u>15.3759</u>	<u>12.3424</u>	<u>-</u>	<u>-</u>	<u>12.7032</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2024 (continued)								
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
<b>Number of units in issue</b>	9									
- D Class		-	14,859,572.2400	6,780,805.7070	3,641,117.0310	8,640,505.5420	9,534,934.5360	-	4,826,849.3720	8,665,363.8800
- I Class		-	177,666,560.7890	143,167,955.0920	72,810,448.5860	88,392,817.7320	85,069,986.9350	-	112,094,389.2320	164,174,265.6890
- N Class		<u>52,947,442.7370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset value per unit</b>										
- D Class		-	12.0297	22.2063	15.5303	27.6669	20.9242	-	18.3114	35.6636
- I Class		-	11.9556	21.7033	15.3618	26.4406	20.3178	-	17.7826	34.0896
- N Class		<u>11.5380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

For and on behalf of  
Principal Trust Company (Asia) Limited



Director



Director

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2023									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Assets</b>											
Investments measured at fair value through profit or loss	7	3,121,153,396	1,141,570,080	190,839,374	3,659,959,207	-	2,988,258,268	5,378,089,887	2,355,941,516	3,870,956,821	1,594,277,955
Subscriptions in transit		6,876,037	1,843,948	624,634	4,412,573	-	11,299,814	33,740,934	5,009,490	5,467,662	3,286,182
Contributions receivable											
- by employers		-	-	-	-	-	-	-	-	-	-
- by employees		-	-	-	-	-	-	-	-	-	-
Amounts receivable from brokers		8,819,521	2,547,893	584,404	7,757,488	-	7,243,890	15,859,239	6,997,192	9,282,223	8,218,974
Cash and cash equivalents	8	-	-	-	-	-	-	-	-	-	5,536,168
		<u>3,136,848,954</u>	<u>1,145,961,921</u>	<u>192,048,412</u>	<u>3,672,129,268</u>	<u>-</u>	<u>3,006,801,972</u>	<u>5,427,690,060</u>	<u>2,367,948,198</u>	<u>3,885,706,706</u>	<u>1,611,319,279</u>
<b>Liabilities</b>											
Amounts pending for allocation		-	-	-	-	-	-	-	-	-	-
Amounts payable on redemptions		12,682,851	3,563,086	1,668,463	11,393,504	-	10,832,773	22,431,034	9,763,870	12,171,110	15,069,287
Amounts payable to brokers		5,605,605	1,037,868	424,429	2,511,728	-	8,042,357	20,047,988	2,537,371	4,100,306	-
Accrued expenses and other payables		2,258,327	1,956,811	254,861	4,967,318	-	2,859,350	4,699,755	3,204,459	4,899,159	3,677,535
		<u>20,546,783</u>	<u>6,557,765</u>	<u>2,347,753</u>	<u>18,872,550</u>	<u>-</u>	<u>21,734,480</u>	<u>47,178,777</u>	<u>15,505,700</u>	<u>21,170,575</u>	<u>18,746,822</u>
<b>Net assets available for benefits</b>		<u>3,116,302,171</u>	<u>1,139,404,156</u>	<u>189,700,659</u>	<u>3,653,256,718</u>	<u>-</u>	<u>2,985,067,492</u>	<u>5,380,511,283</u>	<u>2,352,442,498</u>	<u>3,864,536,131</u>	<u>1,592,572,457</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2023 (continued)										
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$	Total HK\$
<b>Assets</b>												
Investments measured at fair value through												
profit or loss	7	584,614,401	2,126,573,843	3,027,418,619	1,099,044,458	2,294,365,736	1,944,802,886	-	2,097,321,237	4,616,402,754	-	42,091,590,438
Subscriptions in transit		2,475,796	22,511,753	8,515,600	7,559,022	8,596,285	2,471,518	-	6,355,411	32,660,264	-	163,706,923
Contributions receivable												
- by employers		-	-	-	-	-	-	-	-	-	133,069,415	133,069,415
- by employees		-	-	-	-	-	-	-	-	-	105,052,581	105,052,581
Amounts receivable from brokers		974,724	8,627,405	8,597,867	3,163,432	3,227,707	3,973,008	-	3,318,696	13,991,404	-	113,185,067
Cash and cash equivalents	8	-	-	-	-	-	-	-	-	-	83,193,730	88,729,898
		<u>588,064,921</u>	<u>2,157,713,001</u>	<u>3,044,532,086</u>	<u>1,109,766,912</u>	<u>2,306,189,728</u>	<u>1,951,247,412</u>	<u>-</u>	<u>2,106,995,344</u>	<u>4,663,054,422</u>	<u>321,315,726</u>	<u>42,695,334,322</u>
<b>Liabilities</b>												
Amounts pending for allocation		-	-	-	-	-	-	-	-	-	38,004,904	38,004,904
Amounts payable on redemptions		1,794,615	13,895,994	16,769,338	5,009,259	7,359,455	5,477,962	-	4,999,126	18,670,097	11,091,445	184,643,269
Amounts payable to brokers		1,801,374	10,192,097	4,900,897	4,607,968	4,861,472	1,706,250	-	4,097,487	23,405,047	-	99,880,244
Accrued expenses and other payables		<u>537,476</u>	<u>1,955,815</u>	<u>3,697,255</u>	<u>1,224,766</u>	<u>2,818,505</u>	<u>2,458,042</u>	<u>-</u>	<u>2,658,571</u>	<u>5,654,785</u>	<u>34,097,381</u>	<u>83,880,171</u>
		<u>4,133,465</u>	<u>26,043,906</u>	<u>25,367,490</u>	<u>10,841,993</u>	<u>15,039,432</u>	<u>9,642,254</u>	<u>-</u>	<u>11,755,184</u>	<u>47,729,929</u>	<u>83,193,730</u>	<u>406,408,588</u>
<b>Net assets available for benefits</b>		<u>583,931,456</u>	<u>2,131,669,095</u>	<u>3,019,164,596</u>	<u>1,098,924,919</u>	<u>2,291,150,296</u>	<u>1,941,605,158</u>	<u>-</u>	<u>2,095,240,160</u>	<u>4,615,324,493</u>	<u>238,121,996</u>	<u>42,288,925,734</u>

\* These Constituent Funds were terminated on 26 October 2023.



PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2023									
		Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
Notes											
<b>Number of units in issue</b>	9										
- D Class		-	1,027,866.0350	-	4,234,273.7720	-	-	-	12,589,918.3540	9,565,994.1010	-
- I Class		-	47,646,270.3820	-	84,503,955.3450	-	-	-	223,123,124.3090	145,451,936.7480	-
- N Class		<u>274,844,917.4480</u>	<u>-</u>	<u>20,113,271.1770</u>	<u>-</u>	<u>-</u>	<u>211,250,677.8140</u>	<u>450,975,844.0620</u>	<u>-</u>	<u>-</u>	<u>152,413,607.3320</u>
<b>Net asset value per unit</b>											
- D Class		-	23.7445	-	42.9132	-	-	-	10.4012	25.5785	-
- I Class		-	23.4016	-	41.0815	-	-	-	9.9564	24.8869	-
- N Class		<u>11.3384</u>	<u>-</u>	<u>9.4316</u>	<u>-</u>	<u>-</u>	<u>14.1305</u>	<u>11.9308</u>	<u>-</u>	<u>-</u>	<u>10.4490</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (continued)

31 December 2024

		2023 (continued)								
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
<b>Number of units in issue</b>	9									
- D Class		-	13,752,023.5150	7,094,102.2220	3,424,679.6030	9,042,551.6210	9,971,796.5520	-	4,674,165.9030	7,830,355.2900
- I Class		-	171,136,138.4790	152,851,491.8300	65,419,553.6480	86,278,958.1510	89,137,118.6300	-	114,360,993.0480	156,890,025.1200
- N Class		<u>52,171,866.1270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset value per unit</b>										
- D Class		-	11.5914	19.2754	16.1288	24.9977	20.0788	-	18.0693	29.1958
- I Class		-	11.5245	18.8577	15.9538	23.9352	19.5360	-	17.5828	27.9604
- N Class		<u>11.1925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended 31 December 2024

		2024									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Balance brought forward</b>		3,116,302,171	1,139,404,156	189,700,659	3,653,256,718	-	2,985,067,492	5,380,511,283	2,352,442,498	3,864,536,131	1,592,572,457
<b>Contributions received and receivable</b>	10	735,963,131	208,293,387	113,779,503	524,587,020	-	1,406,177,442	2,343,783,470	739,360,586	529,041,778	917,440,144
<b>Withdrawals paid and payable</b>	11	(799,080,905)	(252,955,783)	(85,027,766)	(789,211,798)	-	(964,678,796)	(2,231,962,029)	(802,986,543)	(719,800,106)	(1,063,084,671)
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income</b>		<u>93,310,871</u>	<u>119,768,705</u>	<u>4,638,472</u>	<u>344,301,328</u>	<u>-</u>	<u>275,134,184</u>	<u>186,798,216</u>	<u>387,328,274</u>	<u>280,397,170</u>	<u>330,859,299</u>
<b>Balance carried forward</b>		<u>3,146,495,268</u>	<u>1,214,510,465</u>	<u>223,090,868</u>	<u>3,732,933,268</u>	<u>-</u>	<u>3,701,700,322</u>	<u>5,679,130,940</u>	<u>2,676,144,815</u>	<u>3,954,174,973</u>	<u>1,777,787,229</u>
		2024 (continued)									
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	*Principal Long Term Accumulation Fund HK\$	Principal Long Term Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$ (Note 5)	Total HK\$
<b>Balance brought forward</b>		583,931,456	2,131,669,095	3,019,164,596	1,098,924,919	2,291,150,296	1,941,605,158	-	2,095,240,160	4,615,324,493	42,288,925,734
<b>Contributions received and receivable</b>	10	191,292,121	1,275,148,987	861,325,005	499,483,460	666,090,318	276,117,311	-	481,773,375	2,021,484,464	13,776,414,414
<b>Withdrawals paid and payable</b>	11	(181,821,731)	(1,185,466,062)	(1,056,672,399)	(377,779,956)	(622,506,739)	(367,802,836)	-	(520,039,557)	(1,752,074,553)	(13,772,952,230)
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income</b>		<u>17,503,496</u>	<u>81,509,650</u>	<u>433,983,462</u>	<u>(45,582,579)</u>	<u>241,483,816</u>	<u>78,029,607</u>	<u>-</u>	<u>24,746,134</u>	<u>1,020,930,724</u>	<u>3,875,140,829</u>
<b>Balance carried forward</b>		<u>610,905,342</u>	<u>2,302,861,670</u>	<u>3,257,800,664</u>	<u>1,175,045,844</u>	<u>2,576,217,691</u>	<u>1,927,949,240</u>	<u>-</u>	<u>2,081,720,112</u>	<u>5,905,665,128</u>	<u>46,167,528,747</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (continued)

Year ended 31 December 2024

		2023									
	Notes	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Balance brought forward</b>		869,262,151	1,074,932,366	155,350,231	3,554,839,221	2,585,060,064	2,275,863,756	2,651,526,978	2,718,962,846	3,730,807,916	1,676,732,191
<b>Contributions received and receivable</b>	10	2,385,611,044	209,481,990	81,399,781	551,494,966	796,589,493	1,002,632,924	3,989,346,390	719,283,877	538,116,331	936,542,472
<b>Withdrawals paid and payable</b>	11	(362,682,636)	(221,750,865)	(57,239,898)	(620,718,639)	(3,405,585,602)	(652,729,487)	(1,372,840,034)	(639,787,067)	(649,000,583)	(828,423,402)
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income</b>		<u>224,111,612</u>	<u>76,740,665</u>	<u>10,190,545</u>	<u>167,641,170</u>	<u>23,936,045</u>	<u>359,300,299</u>	<u>112,477,949</u>	<u>(446,017,158)</u>	<u>244,612,467</u>	<u>(192,278,804)</u>
<b>Balance carried forward</b>		<u>3,116,302,171</u>	<u>1,139,404,156</u>	<u>189,700,659</u>	<u>3,653,256,718</u>	<u>-</u>	<u>2,985,067,492</u>	<u>5,380,511,283</u>	<u>2,352,442,498</u>	<u>3,864,536,131</u>	<u>1,592,572,457</u>
		2023 (continued)									
	Notes	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	*Principal Long Term Accumulation Fund HK\$	Principal Long Term Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Scheme level HK\$ (Note 5)	Total HK\$
<b>Balance brought forward</b>		564,017,261	2,018,652,534	3,346,564,099	971,886,490	1,734,104,452	1,880,203,512	1,838,310,997	2,005,977,432	3,456,489,998	246,905,430 39,356,449,925
<b>Contributions received and receivable</b>	10	141,509,354	975,600,671	937,150,303	313,377,431	528,139,191	283,362,413	552,012,132	395,515,631	1,342,108,211	(8,783,434) 16,670,491,171
<b>Withdrawals paid and payable</b>	11	(157,040,909)	(944,254,017)	(821,725,255)	(240,973,732)	(385,964,886)	(337,132,978)	(2,407,748,481)	(419,826,709)	(1,022,885,071)	- (15,548,310,251)
<b>Increase/(decrease) in net assets available for benefits and total profit or loss and other comprehensive income</b>		<u>35,445,750</u>	<u>81,669,907</u>	<u>(442,824,551)</u>	<u>54,634,730</u>	<u>414,871,539</u>	<u>115,172,211</u>	<u>17,425,352</u>	<u>113,573,806</u>	<u>839,611,355</u>	<u>- 1,810,294,889</u>
<b>Balance carried forward</b>		<u>583,931,456</u>	<u>2,131,669,095</u>	<u>3,019,164,596</u>	<u>1,098,924,919</u>	<u>2,291,150,296</u>	<u>1,941,605,158</u>	<u>-</u>	<u>2,095,240,160</u>	<u>4,615,324,493</u>	<u>238,121,996 42,288,925,734</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>			
Interest received		660	1,366
Distribution income received		66,495,275	57,463,275
Other income received		609,421	1,654,276
Operating expenses paid		(542,426,282)	(558,183,372)
<b>Net cash flows used in operating activities</b>		<u>(475,320,926)</u>	<u>(499,064,455)</u>
<b>Cash flows from investing activities</b>			
Purchase of investment		(13,027,494,651)	(15,902,674,577)
Proceeds from sale of investment		13,518,168,894	15,215,550,342
<b>Net cash flows generated from/(used in) investing activities</b>		<u>490,674,243</u>	<u>(687,124,235)</u>
<b>Cash flows from financing activities</b>			
Contributions received		13,727,767,977	16,695,080,868
Withdrawals paid		(13,735,130,853)	(15,522,939,252)
<b>Net cash flows (used in)/generated from financing activities</b>		<u>(7,362,876)</u>	<u>1,172,141,616</u>
<b>Net decrease in cash and cash equivalents</b>		7,990,441	(14,047,074)
<b>Cash and cash equivalents at beginning of year</b>		<u>88,729,898</u>	<u>102,776,972</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>96,720,339</u></u>	<u><u>88,729,898</u></u>
<b>Analysis of balances of cash and cash equivalents:</b>			
Bank balances	8	<u><u>96,720,339</u></u>	<u><u>88,729,898</u></u>

## PRINCIPAL MPF SCHEME SERIES 800

### NOTES TO FINANCIAL STATEMENTS

31 December 2024

#### 1. THE SCHEME

Principal MPF Scheme Series 800 (the "Scheme") is a master trust scheme established under a master trust deed dated 31 January 2000 (the "Master Trust Deed"), as subsequently amended, with Principal Trust Company (Asia) Limited as the trustee (the "Trustee"), Principal Asset Management Company (Asia) Limited as the investment manager (the "Investment Manager"), and Principal Trust Company (Asia) Limited as the administrator (the "Administrator"). The Scheme is registered under section 21 of the Mandatory Provident Fund Schemes Ordinance (the "Ordinance").

Under the Master Trust Deed, the Trustee is required to establish and maintain separate constituent funds (the "Constituent Fund" and collectively the "Constituent Funds") into which contributions may be invested. The Constituent Funds are notional funds established within the Scheme and are only available for investment by members of the Scheme.

The Scheme had seventeen Constituent Funds as at 31 December 2024:

- Principal Age 65 Plus Fund
- Principal Aggressive Strategy Fund
- Principal Asian Bond Fund
- Principal Asian Equity Fund
- Principal Capital Guaranteed Fund (terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024)
- Principal Core Accumulation Fund
- Principal MPF Conservative Fund
- Principal China Equity Fund
- Principal Global Growth Fund
- Principal Hang Seng Index Tracking Fund
- Principal Hong Kong Bond Fund
- Principal HK Dollar Savings Fund
- Principal Hong Kong Equity Fund
- Principal International Bond Fund
- Principal International Equity Fund
- Principal Long Term Accumulation Fund
- Principal Long Term Guaranteed Fund (terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024)
- Principal Stable Yield Fund
- Principal US Equity Fund

31 December 2024

1. THE SCHEME (continued)

With effect from 1 April 2019, the Scheme offers tax deductible voluntary contributions ("TVC") account to eligible persons. TVC paid into a TVC account will be eligible for tax concessions starting from the year of assessment 2019/2020 in accordance with the Inland Revenue Ordinance. Though it is voluntary in nature, TVC is subject to the same vesting, preservation and withdrawal restrictions applicable to mandatory contributions.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

These financial statements have been prepared under the historical cost convention, except for investments held at fair values through profit or loss ("FVPL"). These financial statements are presented in Hong Kong dollars.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the Trustee of the Scheme to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

31 December 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Scheme has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>

The nature and the impact of the revised HKFRS Accounting Standards are described below:

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current (the "2020 and 2022 Amendments")*

- The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.
- The Scheme has reassessed the terms and conditions of their liabilities as at 1 January 2023 and 2024 and concluded that the classification of their liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Scheme.



## NOTES TO FINANCIAL STATEMENTS

31 December 2024

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Scheme has not applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective, in these financial statements. The Scheme intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Joint Venture</i> <sup>4</sup>
Amendments to HKAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Scheme are described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Scheme is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Scheme's financial statements.

31 December 2024

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Scheme's financial statements.

Annual Improvements to *HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Scheme's is as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Scheme's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Scheme's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Scheme's financial statements.

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES

### Fair value measurement

The Scheme measures its debt and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Scheme. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Scheme determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Investments and other financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Scheme's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Scheme has applied the practical expedient of not adjusting the effect of a significant financing component, the Scheme initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cashflows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

*Initial recognition and measurement(continued)*

The Scheme's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Scheme commit to purchase or sell the asset.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if (a) they are acquired for the purpose of selling or repurchasing in the near term, (b) on initial recognition, it is part of a portfolio of identified financial instruments that are managed together for which, there is evidence of a recent actual pattern of short-term profit-taking, or (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designed and effective hedging instruments). Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of net assets available for benefits at fair value with net changes in fair value recognised in the statement of profit or loss and other comprehensive income.

This category includes investments which the Scheme had not irrevocably elected to classify at fair value through other comprehensive income. Distribution income on equity investments classified as financial assets at fair value through profit or loss are also recognised as distribution income in the statement of profit or loss and other comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the distribution income will flow to the Scheme and the amount of the distribution income can be measured reliably.

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

#### *Financial assets at amortised cost (debt instruments)*

The Scheme measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Impairment of financial assets

The Scheme recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Scheme expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Scheme assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Scheme compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Scheme considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Scheme may also consider a financial asset to be in default when internal or external information indicates that the Scheme is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Scheme. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

*General approach (continued)*

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for investment contract receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

*Simplified approach*

The Scheme holds the trade receivables with no significant financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply the simplified approach for ECLs under HKFRS 9 to all its trade receivables. Therefore the Scheme does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Scheme's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about the past events, current conditions and forecasts of future economic conditions.

The Scheme uses provision matrix as a practical expedient to measure ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Scheme's statement of net assets available for benefits) when:

- the rights to receive cash flows from the asset have expired; or
- the Scheme has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Scheme has transferred substantially all the risks and rewards of the asset, or (b) the Scheme has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

When the Scheme has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Scheme continues to recognise the transferred asset to the extent of the Scheme's continuing involvement in the asset. In that case, the Scheme also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Scheme has retained.

Financial liabilities

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Scheme's financial liabilities include amounts pending for allocation, amounts payable on redemptions, amounts payable to brokers, accrued expenses and other payables.

*Subsequent measurement*

*Financial liabilities at amortised cost (Loans and borrowings)*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets available for benefits if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Scheme's cash management.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Scheme and when the revenue can be measured reliably, on the following bases:

- (a) Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset. Interest income on bank deposits is disclosed separately on the face of the statement of profit or loss and other comprehensive income. Interest income on debt securities is included in gains on investments.
- (b) Distribution income is recognised when the Scheme's right to receive payment has been established. Distribution income relating to exchange-traded equity investments is recognised in profit or loss as distribution income when declared. Distribution income from private equity investments and other investment funds are recognised in profit or loss as distribution income when declared.
- (c) Realised and unrealised gains and losses on investments at fair value through profit or loss are dealt with in profit or loss in the year in which they arise.

Expenses

All expenses, including investment management and custodian fees, are recognised in profit or loss on an accrual basis.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Scheme using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.



31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Scheme if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Scheme;
  - (ii) has significant influence over the Scheme;
  - (iii) is a member of the key management personnel of the Trustee or of a parent of the Trustee;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Scheme are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Scheme are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Scheme or an entity related to the Scheme;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a Scheme of which it is a part, provides key management personnel services to the Scheme or to the parent of the Scheme.

Units in issue

The Scheme classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Scheme to repurchase or redeem that instrument for cash or another financial asset is classified as an equity instrument if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Scheme's net assets in the event of its liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Scheme to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Units in issue (continued)

The redeemable units do not provide the unitholders with the right to require redemption for cash at a value proportionate to the unitholders' share in the Scheme's net assets at each daily redemption date and also in the event of the Scheme's liquidation. Therefore, they do not meet the criteria for equity classification and therefore are classified as financial liabilities. They are measured at the present value of the redemption amounts.

3. INTEREST INCOME

This represents interest earned from the receipt of cleared funds before the acquisition of units. Any interest earned belongs to the Scheme.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4. GAINS AND LOSSES ON INVESTMENTS

	2024									
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
Realised gains	58,877,365	20,383,974	2,413,503	108,548,444	-	129,217,707	98,267,185	223,576	85,162,942	140,184
Net change in unrealised gains	<u>58,773,526</u>	<u>117,411,929</u>	<u>4,230,160</u>	<u>291,140,090</u>	<u>-</u>	<u>172,190,776</u>	<u>142,550,584</u>	<u>639,550,186</u>	<u>253,481,130</u>	<u>364,294,563</u>
Total gains on investments	<u>117,650,891</u>	<u>137,795,903</u>	<u>6,643,663</u>	<u>399,688,534</u>	<u>-</u>	<u>301,408,483</u>	<u>240,817,769</u>	<u>639,773,762</u>	<u>338,644,072</u>	<u>364,434,747</u>
Realised losses	-	(316,195)	(12,249)	-	-	-	-	(216,735,178)	-	(86,530,373)
Net change in unrealised losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total losses on investments	<u>-</u>	<u>(316,195)</u>	<u>(12,249)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,735,178)</u>	<u>-</u>	<u>(86,530,373)</u>
Net gains/(losses) on investments	<u>117,650,891</u>	<u>137,479,708</u>	<u>6,631,414</u>	<u>399,688,534</u>	<u>-</u>	<u>301,408,483</u>	<u>240,817,769</u>	<u>423,038,584</u>	<u>338,644,072</u>	<u>277,904,374</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4. GAINS AND LOSSES ON INVESTMENTS (continued)

	2024 (continued)									
	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Total HK\$
Realised gains	8,981,685	66,225,704	3,978,834	622,371	177,877,201	31,477,649	-	16,669,479	464,897,090	1,273,964,893
Net change in unrealised gains	<u>14,557,608</u>	<u>37,997,829</u>	<u>666,799,700</u>	<u>-</u>	<u>100,965,265</u>	<u>75,166,784</u>	<u>-</u>	<u>39,724,057</u>	<u>634,476,624</u>	<u>3,613,310,811</u>
Total gains on investments	<u>23,539,293</u>	<u>104,223,533</u>	<u>670,778,534</u>	<u>622,371</u>	<u>278,842,466</u>	<u>106,644,433</u>	<u>-</u>	<u>56,393,536</u>	<u>1,099,373,714</u>	<u>4,887,275,704</u>
Realised losses	-	-	(194,411,616)	(11,609,836)	-	-	-	(563,739)	-	(510,179,186)
Net change in unrealised losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,035,725)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,035,725)</u>
Total losses on investments	<u>-</u>	<u>-</u>	<u>(194,411,616)</u>	<u>(31,645,561)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(563,739)</u>	<u>-</u>	<u>(530,214,911)</u>
Net gains/(losses) on investments	<u>23,539,293</u>	<u>104,223,533</u>	<u>476,366,918</u>	<u>(31,023,190)</u>	<u>278,842,466</u>	<u>106,644,433</u>	<u>-</u>	<u>55,829,797</u>	<u>1,099,373,714</u>	<u>4,357,060,793</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4. GAINS AND LOSSES ON INVESTMENTS (continued)

	2023									
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
Realised gains	3,728,731	71,401	9,967	22,951,257	182,757,852	27,621,362	38,864,073	-	22,165,414	-
Net change in unrealised gains	<u>238,716,980</u>	<u>101,431,210</u>	<u>14,401,586</u>	<u>199,235,794</u>	<u>262,807</u>	<u>352,712,810</u>	<u>150,731,791</u>	<u>742,343,770</u>	<u>280,102,866</u>	<u>417,956,575</u>
Total gains on investments	<u>242,445,711</u>	<u>101,502,611</u>	<u>14,411,553</u>	<u>222,187,051</u>	<u>183,020,659</u>	<u>380,334,172</u>	<u>189,595,864</u>	<u>742,343,770</u>	<u>302,268,280</u>	<u>417,956,575</u>
Realised losses	(7,944,922)	(7,947,716)	(2,517,790)	(1,369,120)	(167)	(229,091)	-	(186,429,637)	(800,189)	(53,060,426)
Net change in unrealised losses	<u>(31,778)</u>	<u>(14,069)</u>	<u>(1,420)</u>	<u>(8)</u>	<u>(129,943,532)</u>	<u>(49,798)</u>	<u>(45,241,771)</u>	<u>(962,487,239)</u>	<u>(17,347)</u>	<u>(599,549,001)</u>
Total losses on investments	<u>(7,976,700)</u>	<u>(7,961,785)</u>	<u>(2,519,210)</u>	<u>(1,369,128)</u>	<u>(129,943,699)</u>	<u>(278,889)</u>	<u>(45,241,771)</u>	<u>(1,148,916,876)</u>	<u>(817,536)</u>	<u>(652,609,427)</u>
Net gains/(losses) on investments	<u>234,469,011</u>	<u>93,540,826</u>	<u>11,892,343</u>	<u>220,817,923</u>	<u>53,076,960</u>	<u>380,055,283</u>	<u>144,354,093</u>	<u>(406,573,106)</u>	<u>301,450,744</u>	<u>(234,652,852)</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4. GAINS AND LOSSES ON INVESTMENTS (continued)

	2023 (continued)									
	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Total HK\$
Realised gains	288,590	26,414,969	-	-	71,769,824	5,392,173	136,947,425	22,194	145,448,252	684,453,484
Net change in unrealised gains	<u>42,966,323</u>	<u>93,627,155</u>	<u>666,482,751</u>	<u>124,079,121</u>	<u>524,563,576</u>	<u>139,578,323</u>	<u>12,632</u>	<u>160,375,997</u>	<u>753,032,431</u>	<u>5,002,614,498</u>
Total gains on investments	<u>43,254,913</u>	<u>120,042,124</u>	<u>666,482,751</u>	<u>124,079,121</u>	<u>596,333,400</u>	<u>144,970,496</u>	<u>136,960,057</u>	<u>160,398,191</u>	<u>898,480,683</u>	<u>5,687,067,982</u>
Realised losses	(1,904,107)	-	(169,534,572)	(23,537,275)	-	(1,502,691)	(2,486)	(16,371,631)	-	(473,151,820)
Net change in unrealised losses	<u>(29,135)</u>	<u>(17,262,364)</u>	<u>(893,481,465)</u>	<u>(32,870,656)</u>	<u>(152,184,648)</u>	<u>(24,717)</u>	<u>(89,320,019)</u>	<u>(67,122)</u>	<u>(179)</u>	<u>(2,922,576,268)</u>
Total losses on investments	<u>(1,933,242)</u>	<u>(17,262,364)</u>	<u>(1,063,016,037)</u>	<u>(56,407,931)</u>	<u>(152,184,648)</u>	<u>(1,527,408)</u>	<u>(89,322,505)</u>	<u>(16,438,753)</u>	<u>(179)</u>	<u>(3,395,728,088)</u>
Net gains/(losses) on investments	<u>41,321,671</u>	<u>102,779,760</u>	<u>(396,533,286)</u>	<u>67,671,190</u>	<u>444,148,752</u>	<u>143,443,088</u>	<u>47,637,552</u>	<u>143,959,438</u>	<u>898,480,504</u>	<u>2,291,339,894</u>

\* These Constituent Funds were terminated on 26 October 2023.

# PRINCIPAL MPF SCHEME SERIES 800

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 5. STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS – “SCHEME LEVEL” COLUMN

This represents the movement between the current year-end and prior year-end for contributions receivable and contributions surcharge receivable. Contributions receivable and contributions surcharge receivable are amounts due but not yet received from employers and members as at year end.

### 6. RELATED PARTY TRANSACTIONS

The following is a summary of transactions with related parties during the year which were entered into in the ordinary course of business and on normal commercial terms:

(a) The breakdown of the fee rates of each of the Constituent Funds is as follows:

	Constituent Fund Level (% p.a. of net assets value)				
	2024				
	Sponsor fee	Trustee/administrator fee			Investment management fee
		Class D	Class I	Class N	
Principal Age 65 Plus Fund	Nil	N/A	N/A	0.50	0.25
Principal Aggressive Strategy Fund	0.20	0.68	0.88	N/A	0.37
Principal Asian Bond Fund	0.20	N/A	N/A	0.54	0.20
Principal Asian Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Capital Guaranteed Fund*	Nil	N/A	N/A	N/A	N/A
Principal Core Accumulation Fund	Nil	N/A	N/A	0.50	0.25
Principal MPF Conservative Fund	0.20	N/A	N/A	0.65	0.10
Principal China Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Global Growth Fund	0.20	0.70	0.90	N/A	0.35
Principal Hang Seng Index Tracking Fund	0.20	N/A	N/A	0.52	0.05
Principal Hong Kong Bond Fund	0.20	N/A	N/A	0.54	0.25
Principal HK Dollar Savings Fund	0.20	0.65	0.69	N/A	0.10
Principal Hong Kong Equity Fund	0.20	0.65	0.75	N/A	0.40
Principal International Bond Fund	0.20	0.80	0.80	N/A	0.25
Principal International Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Long Term Accumulation Fund	0.20	0.70	0.90	N/A	0.35
Principal Long Term Guaranteed Fund*	Nil	N/A	N/A	N/A	N/A
Principal Stable Yield Fund	0.20	0.70	0.90	N/A	0.35
Principal US Equity Fund	0.20	0.65	0.84	N/A	0.40

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

# PRINCIPAL MPF SCHEME SERIES 800

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 6. RELATED PARTY TRANSACTIONS (continued)

(a) The breakdown of the fee rates of each of the Constituent Funds is as follows: (continued)

	Constituent Fund Level (% p.a. of net assets value)				
	2023				
	Sponsor fee	Trustee/administrator fee			Investment management fee
		Class D	Class I	Class N	
Principal Age 65 Plus Fund	Nil	N/A	N/A	0.50	0.25
Principal Aggressive Strategy Fund	0.20	0.68	0.88	N/A	0.37
Principal Asian Bond Fund	0.20	N/A	N/A	0.54	0.20
Principal Asian Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Capital Guaranteed Fund*	0.20	0.95	1.10	N/A	0.10
Principal Core Accumulation Fund	Nil	N/A	N/A	0.50	0.25
Principal MPF Conservative Fund	0.20	N/A	N/A	0.65	0.10
Principal China Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Global Growth Fund	0.20	0.70	0.90	N/A	0.35
Principal Hang Seng Index Tracking Fund	0.20	N/A	N/A	0.52	0.05
Principal Hong Kong Bond Fund	0.20	N/A	N/A	0.54	0.25
Principal HK Dollar Savings Fund	0.20	0.65	0.69	N/A	0.10
Principal Hong Kong Equity Fund	0.20	0.65	0.75	N/A	0.40
Principal International Bond Fund	0.20	0.80	0.80	N/A	0.25
Principal International Equity Fund	0.20	0.65	0.84	N/A	0.40
Principal Long Term Accumulation Fund	0.20	0.70	0.90	N/A	0.35
Principal Long Term Guaranteed Fund*	0.20	1.10	1.60	N/A	0.20
Principal Stable Yield Fund	0.20	0.70	0.90	N/A	0.35
Principal US Equity Fund	0.20	0.65	0.84	N/A	0.40

\* These Constituent Funds were terminated on 26 October 2023.

The above fee types are accrued daily, calculated on each dealing day and is paid monthly in arrears.

- (b) The Trustee collects contributions in accordance with the rules of the Scheme and invests the contributions in the Constituent Funds. The Trustee is also the scheme administrator handling the daily administration work of the Scheme. Including to keep records of the Scheme, handling requests for transfers or withdrawal of accrued benefits and providing other customer services to enrolled employers and scheme members.
- (c) All investments held by each Constituent Fund were managed by the Investment Manager.
- (d) Operating expenses are paid by the Administrator and then recharged to the Constituent Funds.
- (e) The Sponsor of the Scheme provides product design advice as well as ancillary and support services to the Trustee as may be agreed between them from time to time, including but not limited to business development, marketing, sponsoring of the Scheme and product development.
- (f) For the years ended 31 December 2024 and 2023, the Constituent Funds did not have any transactions with any of the Investment Manager's associates or delegates.
- (g) The transactions with related parties as stated above are within the definition of transactions with associates in accordance with the MPF Ordinance and MPF Guideline II.4 Annex C I (D) 2.



PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

6. RELATED PARTY TRANSACTIONS (continued)

(h) At year end, the fee expense and amounts payable to the related parties were:

	2024								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
<b><u>For the year ended 31 December 2024</u></b>									
Investment management fee	7,908,140	4,446,994	410,713	15,176,145	-	8,509,879	5,521,145	9,770,340	13,897,241
Sponsor fee	-	2,403,781	410,713	7,588,073	-	-	11,042,291	4,885,170	7,941,281
Trustee and administrator fee	15,816,280	10,521,688	1,108,925	31,505,002	-	17,019,758	35,887,445	20,245,789	35,230,741
	<u>15,816,280</u>	<u>10,521,688</u>	<u>1,108,925</u>	<u>31,505,002</u>	<u>-</u>	<u>17,019,758</u>	<u>35,887,445</u>	<u>20,245,789</u>	<u>35,230,741</u>
<b><u>As at 31 December 2024</u></b>									
Investment management fee payable	695,367	398,055	39,122	1,325,137	-	818,474	522,599	938,244	1,225,564
Sponsor fee payable	-	215,165	39,122	662,569	-	-	1,045,198	469,122	700,323
Trustee and administrator fee payable	1,390,734	941,527	105,630	2,750,391	-	1,636,948	3,396,893	1,943,521	3,106,818
	<u>1,390,734</u>	<u>941,527</u>	<u>105,630</u>	<u>2,750,391</u>	<u>-</u>	<u>1,636,948</u>	<u>3,396,893</u>	<u>1,943,521</u>	<u>3,106,818</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

6. RELATED PARTY TRANSACTIONS (continued)

(h) At year end, the fee expense and amounts payable to the related parties were: (continued)

	2024 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
<b><u>For the year ended 31 December 2024</u></b>										
Investment management fee	822,701	1,479,172	2,236,997	12,306,013	2,848,763	10,314,178	6,861,737	-	7,392,124	21,512,737
Sponsor fee	3,290,805	1,183,338	4,473,995	6,153,006	2,279,010	5,157,089	3,920,993	-	4,224,071	10,756,368
Trustee and administrator fee	<u>8,556,093</u>	<u>3,195,012</u>	<u>15,366,292</u>	<u>22,931,018</u>	<u>9,116,040</u>	<u>21,189,046</u>	<u>17,237,585</u>	<u>-</u>	<u>18,832,304</u>	<u>44,653,991</u>
<b><u>As at 31 December 2024</u></b>										
Investment management fee payable	77,160	134,481	201,117	1,141,251	261,424	918,621	598,125	-	646,449	2,100,420
Sponsor fee payable	308,638	107,585	402,234	570,625	209,139	459,310	341,785	-	369,399	1,050,210
Trustee and administrator fee payable	<u>802,460</u>	<u>290,480</u>	<u>1,381,505</u>	<u>2,126,622</u>	<u>836,557</u>	<u>1,888,208</u>	<u>1,502,638</u>	<u>-</u>	<u>1,646,608</u>	<u>4,359,059</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

6. RELATED PARTY TRANSACTIONS (continued)

(h) At year end, the fee expense and amounts payable to the related parties were:

	2023								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
<b><u>For the year ended 31 December 2023</u></b>									
Investment management fee	3,313,086	4,198,539	344,933	14,512,943	2,147,456	6,561,740	3,208,927	10,791,776	13,473,999
Sponsor fee	-	2,269,481	344,933	7,256,471	4,294,913	-	6,417,855	5,395,888	7,699,428
Trustee and administrator fee	6,626,171	9,943,876	931,319	30,136,362	23,492,876	13,123,480	20,858,028	22,368,491	34,156,813
	<u>6,626,171</u>	<u>9,943,876</u>	<u>931,319</u>	<u>30,136,362</u>	<u>23,492,876</u>	<u>13,123,480</u>	<u>20,858,028</u>	<u>22,368,491</u>	<u>34,156,813</u>
<b><u>As at 31 December 2023</u></b>									
Investment management fee payable	654,909	351,984	31,884	1,209,331	-	621,039	483,610	785,917	1,129,221
Sponsor fee payable	-	190,262	31,884	604,666	-	-	967,220	392,959	645,269
Trustee and administrator fee payable	1,309,818	833,110	86,087	2,511,019	-	1,242,078	3,143,465	1,629,618	2,862,958
	<u>1,309,818</u>	<u>833,110</u>	<u>86,087</u>	<u>2,511,019</u>	<u>-</u>	<u>1,242,078</u>	<u>3,143,465</u>	<u>1,629,618</u>	<u>2,862,958</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

6. RELATED PARTY TRANSACTIONS (continued)

(h) At year end, the fee expense and amounts payable to the related parties were: (continued)

	2023 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
<b><u>For the year ended 31 December 2023</u></b>										
Investment management fee	847,688	1,435,725	2,064,550	13,421,578	2,535,727	8,035,832	6,744,186	3,047,059	7,180,077	15,987,774
Sponsor fee	3,390,752	1,148,580	4,129,100	6,710,789	2,028,581	4,017,916	3,853,820	3,047,059	4,102,901	7,993,887
Trustee and administrator fee	<u>8,815,954</u>	<u>3,101,166</u>	<u>14,183,324</u>	<u>25,015,555</u>	<u>8,114,325</u>	<u>16,488,055</u>	<u>16,940,738</u>	<u>23,708,614</u>	<u>18,294,853</u>	<u>33,207,727</u>
<b><u>As at 31 December 2023</u></b>										
Investment management fee payable	65,898	122,583	179,940	1,004,629	227,714	763,068	567,800	-	612,308	1,536,755
Sponsor fee payable	263,591	98,067	359,880	502,315	182,171	381,534	324,457	-	349,890	768,378
Trustee and administrator fee payable	<u>685,337</u>	<u>264,780</u>	<u>1,236,164</u>	<u>1,872,358</u>	<u>728,685</u>	<u>1,566,687</u>	<u>1,426,621</u>	<u>-</u>	<u>1,560,330</u>	<u>3,191,021</u>

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

7. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024									
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
<b>Collective investment schemes</b>										
Listed securities	-	-	-	-	-	-	-	-	-	1,775,545,880
Unit trust	3,148,036,579	1,216,608,092	223,108,194	3,739,802,866	-	3,706,838,804	5,678,152,074	2,680,496,623	3,958,974,070	-
<b>Total</b>	<u>3,148,036,579</u>	<u>1,216,608,092</u>	<u>223,108,194</u>	<u>3,739,802,866</u>	<u>-</u>	<u>3,706,838,804</u>	<u>5,678,152,074</u>	<u>2,680,496,623</u>	<u>3,958,974,070</u>	<u>1,775,545,880</u>

	2024 (continued)									
	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Total HK\$
<b>Collective investment schemes</b>										
Listed securities	-	-	-	-	-	-	-	-	-	1,775,545,880
Unit trust	611,637,516	2,304,224,297	3,262,773,290	1,177,738,399	2,578,929,952	1,931,218,393	-	2,085,224,001	5,908,263,580	44,212,026,730
<b>Total</b>	<u>611,637,516</u>	<u>2,304,224,297</u>	<u>3,262,773,290</u>	<u>1,177,738,399</u>	<u>2,578,929,952</u>	<u>1,931,218,393</u>	<u>-</u>	<u>2,085,224,001</u>	<u>5,908,263,580</u>	<u>45,987,572,610</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

7. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	2023									
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$	Principal Hang Seng Index Tracking Fund HK\$
Collective investment schemes										
Listed securities	-	-	-	-	-	-	-	-	-	1,594,277,955
Unit trust	3,121,153,396	1,141,570,080	190,839,374	3,659,959,207	-	2,988,258,268	5,378,089,887	2,355,941,516	3,870,956,821	-
Total	3,121,153,396	1,141,570,080	190,839,374	3,659,959,207	-	2,988,258,268	5,378,089,887	2,355,941,516	3,870,956,821	1,594,277,955
	2023 (continued)									
	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$	Total HK\$
Collective investment schemes										
Listed securities	-	-	-	-	-	-	-	-	-	1,594,277,955
Unit trust	584,614,401	2,126,573,843	3,027,418,619	1,099,044,458	2,294,365,736	1,944,802,886	-	2,097,321,237	4,616,402,754	40,497,312,483
Total	584,614,401	2,126,573,843	3,027,418,619	1,099,044,458	2,294,365,736	1,944,802,886	-	2,097,321,237	4,616,402,754	42,091,590,438

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

8. CASH AND CASH EQUIVALENTS

	2024 HK\$	2023 HK\$
Principal Age 65 Plus Fund	-	-
Principal Aggressive Strategy Fund	-	-
Principal Asian Bond Fund	-	-
Principal Asian Equity Fund	-	-
Principal Capital Guaranteed Fund*	-	-
Principal Core Accumulation Fund	-	-
Principal MPF Conservative Fund	-	-
Principal China Equity Fund	-	-
Principal Global Growth Fund	-	-
Principal Hang Seng Index Tracking Fund	4,165,236	5,536,168
Principal Hong Kong Bond Fund	-	-
Principal HK Dollar Savings Fund	-	-
Principal Hong Kong Equity Fund	-	-
Principal International Bond Fund	-	-
Principal International Equity Fund	-	-
Principal Long Term Accumulation Fund	-	-
Principal Long Term Guaranteed Fund*	-	-
Principal Stable Yield Fund	-	-
Principal US Equity Fund	-	-
	<hr/>	<hr/>
Scheme level	<u>92,555,103</u>	<u>83,193,730</u>
Total	<u><u>96,720,339</u></u>	<u><u>88,729,898</u></u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

9. UNITS IN ISSUE

	2024								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
Class D									
Balance at 1 January 2024	-	1,027,866.0350	-	4,234,273.7720	-	-	-	12,589,918.3540	9,565,994.1010
Issued during the year	-	368,958.8390	-	564,484.8410	-	-	-	3,956,686.8640	1,049,955.4860
Redeemed during the year	-	(283,663.9110)	-	(743,540.8030)	-	-	-	(3,519,524.0790)	(1,461,693.6860)
Balance at 31 December 2024	-	1,113,160.9630	-	4,055,217.8100	-	-	-	13,027,081.1390	9,154,255.9010
Class I									
Balance at 1 January 2024	-	47,646,270.3820	-	84,503,955.3450	-	-	-	223,123,124.3090	145,451,936.7480
Issued during the year	-	7,919,702.4570	-	11,253,253.4810	-	-	-	62,856,619.0700	19,109,036.4340
Redeemed during the year	-	(9,766,997.7480)	-	(17,082,072.3210)	-	-	-	(71,125,085.1590)	(25,926,414.3290)
Balance at 31 December 2024	-	45,798,975.0910	-	78,675,136.5050	-	-	-	214,854,658.2200	138,634,558.8530
Class N									
Balance at 1 January 2024	274,844,917.4480	-	20,113,271.1770	-	-	211,250,677.8140	450,975,844.0620	-	-
Issued during the year	63,531,857.9310	-	11,814,657.2180	-	-	93,582,066.7110	192,684,609.3240	-	-
Redeemed during the year	(68,895,341.3020)	-	(8,830,838.5870)	-	-	(64,085,929.0600)	(183,527,282.5550)	-	-
Balance at 31 December 2024	269,481,434.0770	-	23,097,089.8080	-	-	240,746,815.4650	460,133,170.8310	-	-

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.



PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

9. UNITS IN ISSUE (continued)

	2024 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Class D										
Balance at 1 January 2024	-	-	13,752,023.5150	7,094,102.2220	3,424,679.6030	9,042,551.6210	9,971,796.5520	-	4,674,165.9030	7,830,355.2900
Issued during the year	-	-	7,773,680.7950	2,222,303.4960	1,374,698.8610	1,437,522.0570	799,116.6930	-	991,977.2520	3,613,226.1980
Redeemed during the year	-	-	(6,666,132.0700)	(2,535,600.0110)	(1,158,261.4330)	(1,839,568.1360)	(1,235,978.7090)	-	(839,293.7830)	(2,778,217.6080)
Balance at 31 December 2024	-	-	14,859,572.2400	6,780,805.7070	3,641,117.0310	8,640,505.5420	9,534,934.5360	-	4,826,849.3720	8,665,363.8800
Class I										
Balance at 1 January 2024	-	-	171,136,138.4790	152,851,491.8300	65,419,553.6480	86,278,958.1510	89,137,118.6300	-	114,360,993.0480	156,890,025.1200
Issued during the year	-	-	100,408,601.1710	40,121,214.3580	30,173,649.8430	23,775,449.1150	12,871,574.0730	-	25,915,277.9970	59,786,818.2010
Redeemed during the year	-	-	(93,878,178.8610)	(49,804,751.0960)	(22,782,754.9050)	(21,661,589.5340)	(16,938,705.7680)	-	(28,181,881.8130)	(52,502,577.6320)
Balance at 31 December 2024	-	-	177,666,560.7890	143,167,955.0920	72,810,448.5860	88,392,817.7320	85,069,986.9350	-	112,094,389.2320	164,174,265.6890
Class N										
Balance at 1 January 2024	152,413,607.3320	52,171,866.1270	-	-	-	-	-	-	-	-
Issued during the year	80,058,819.5230	16,721,735.7480	-	-	-	-	-	-	-	-
Redeemed during the year	(92,524,060.0700)	(15,946,159.1380)	-	-	-	-	-	-	-	-
Balance at 31 December 2024	139,948,366.7850	52,947,442.7370	-	-	-	-	-	-	-	-

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

9. UNITS IN ISSUE (continued)

	2023								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
Class D									
Balance at 1 January 2023	-	795,610.0650	-	4,238,161.8320	9,366,673.7210	-	-	12,716,873.8990	10,080,481.9290
Issued during the year	-	504,027.1800	-	689,079.6580	2,759,030.2690	-	-	3,731,496.8210	1,273,484.9060
Redeemed during the year	-	(271,771.2100)	-	(692,967.7180)	(12,125,703.9900)	-	-	(3,858,452.3660)	(1,787,972.7340)
Balance at 31 December 2023	-	1,027,866.0350	-	4,234,273.7720	-	-	-	12,589,918.3540	9,565,994.1010
Class I									
Balance at 1 January 2023	-	48,450,021.4940	-	86,279,424.3900	212,435,621.8960	-	-	216,979,017.3890	149,532,188.9960
Issued during the year	-	8,641,877.7510	-	13,043,313.9480	65,178,635.0580	-	-	58,234,896.4560	20,868,067.3680
Redeemed during the year	-	(9,445,628.8630)	-	(14,818,782.9930)	(277,614,256.9540)	-	-	(52,090,789.5360)	(24,948,319.6160)
Balance at 31 December 2023	-	47,646,270.3820	-	84,503,955.3450	-	-	-	223,123,124.3090	145,451,936.7480
Class N									
Balance at 1 January 2023	82,542,606.4110	-	17,480,214.6360	-	-	184,675,733.4390	229,891,133.2490	-	-
Issued during the year	225,614,762.9710	-	8,934,865.2420	-	-	75,941,387.5370	337,992,700.9890	-	-
Redeemed during the year	(33,312,451.9340)	-	(6,301,808.7010)	-	-	(49,366,443.1620)	(116,907,990.1760)	-	-
Balance at 31 December 2023	274,844,917.4480	-	20,113,271.1770	-	-	211,250,677.8140	450,975,844.0620	-	-

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

9. UNITS IN ISSUE (continued)

	2023 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Class D										
Balance at 1 January 2023	-	-	13,882,241.9270	6,613,078.8350	3,183,654.7680	8,975,922.4310	10,671,049.1770	13,547,665.5420	4,880,617.5820	7,044,614.7910
Issued during the year	-	-	6,231,361.6450	2,412,821.2630	1,063,200.7380	1,500,922.0350	909,484.8160	5,225,459.3900	894,062.4150	2,847,382.4390
Redeemed during the year	-	-	(6,361,580.0570)	(1,931,797.8760)	(822,175.9030)	(1,434,292.8450)	(1,608,737.4410)	(18,773,124.9320)	(1,100,514.0940)	(2,061,641.9400)
Balance at 31 December 2023	-	-	<u>13,752,023.5150</u>	<u>7,094,102.2220</u>	<u>3,424,679.6030</u>	<u>9,042,551.6210</u>	<u>9,971,796.5520</u>	-	<u>4,674,165.9030</u>	<u>7,830,355.2900</u>
Class I										
Balance at 1 January 2023	-	-	168,255,210.4950	148,173,928.6950	60,982,213.7620	79,959,481.4210	91,282,181.5740	143,828,803.8060	115,597,929.3580	145,292,636.2970
Issued during the year	-	-	80,073,889.4540	41,714,730.9430	19,337,022.3270	22,494,157.0140	13,994,762.9010	41,260,957.0010	22,277,051.1910	49,972,212.0310
Redeemed during the year	-	-	(77,192,961.4700)	(37,037,167.8080)	(14,899,682.4410)	(16,174,680.2840)	(16,139,825.8450)	(185,089,760.8070)	(23,513,987.5010)	(38,374,823.2080)
Balance at 31 December 2023	-	-	<u>171,136,138.4790</u>	<u>152,851,491.8300</u>	<u>65,419,553.6480</u>	<u>86,278,958.1510</u>	<u>89,137,118.6300</u>	-	<u>114,360,993.0480</u>	<u>156,890,025.1200</u>
Class N										
Balance at 1 January 2023	142,333,763.3100	53,615,822.6580	-	-	-	-	-	-	-	-
Issued during the year	81,622,217.2790	13,107,132.3560	-	-	-	-	-	-	-	-
Redeemed during the year	(71,542,373.2570)	(14,551,088.8870)	-	-	-	-	-	-	-	-
Balance at 31 December 2023	<u>152,413,607.3320</u>	<u>52,171,866.1270</u>	-	-	-	-	-	-	-	-

\* These Constituent Funds were terminated on 26 October 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

10. CONTRIBUTIONS RECEIVED AND RECEIVABLE

Contributions received and receivable in the statement of changes in net assets available for benefits are derived from the followings:

	2024 HK\$	2023 HK\$
From employers		
- mandatory	1,258,440,423	1,337,520,611
- additional voluntary	278,478,877	273,189,347
From members		
- mandatory	1,173,738,117	1,241,367,375
- additional voluntary	98,098,295	92,027,089
	<u>2,808,755,712</u>	<u>2,944,104,422</u>
Transfer in from		
- other schemes	2,953,406,234	2,469,097,174
- same scheme	1,897,987,826	2,027,722,347
	<u>4,851,394,060</u>	<u>4,496,819,521</u>
Switching in	6,031,315,209	8,834,315,851
Others	84,949,433	395,251,377
Proceeds on issue of units	<u>13,776,414,414</u>	<u>16,670,491,171</u>

## PRINCIPAL MPF SCHEME SERIES 800

### NOTES TO FINANCIAL STATEMENTS

31 December 2024

#### 11. WITHDRAWALS PAID AND PAYABLE

Withdrawals paid and payable in the statement of changes in net assets available for benefits are derived from the following:

	2024 HK\$	2023 HK\$
Benefits	1,497,121,620	1,261,046,392
Transfers out	6,189,734,224	5,382,796,463
Forfeitures	48,244,249	54,691,643
Switching out	6,031,333,019	8,834,313,419
Others	6,519,118	15,462,334
Payments on redemption of units	<u>13,772,952,230</u>	<u>15,548,310,251</u>

#### 12. TAXATION

The Scheme is not subject to Hong Kong Profits tax as it is not considered to be carrying on a business in Hong Kong. Reconciliations of the tax expense/credit applicable to income/loss for the year using the statutory rate to tax expense/credit at the effective tax rate have not been presented as the income/loss of the Scheme is not subject to tax.

#### 13. SOFT COMMISSION ARRANGEMENTS

Neither the Trustee, the Administrator, the Investment Manager nor any of its connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the investments of the Constituent Funds to the broker or dealer, save that goods and services may be retained within the limitations set out by the Hong Kong Securities and Futures Commission. Those permissible goods and services must be, among other things, of demonstrable benefit to the members and consistent with best execution standards. They may include research and advisory services, portfolio analysis, data and quotation services etc. but may not include, among other things, travel, accommodation, entertainment or direct money payments. The Trustee, the Administrator and the Investment Manager did not enter into any soft commission arrangements for the years ended 31 December 2024 and 2023.

#### 14. MARKETING EXPENSES

There were no advertising expenses, promotional expenses, commissions or brokerage fees payable to the MPF intermediaries of the Scheme deducted from the Constituent Funds during the years ended 31 December 2024 and 2023.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

15. PAYMENTS CHARGED TO DEFAULT INVESTMENT STRATEGY CONSTITUENT FUNDS

Year ended 31 December 2024

	Principal Age 65 Plus Fund		Principal Core Accumulation Fund	
	HK\$	% of net assets#	HK\$	% of net assets#
Payments for out-of-pocket expenses				
- Auditor's fees	33,203		38,925	
- Bank charges	-		-	
- Legal and professional fees	94,094		71,630	
- Miscellaneous expenses	154,762		216,980	
- Printing and postage expenses	333,541		417,127	
	<u>615,600</u>	0.02	<u>744,662</u>	0.02
Payments for service				
- Investment management fee	7,908,140		8,509,879	
- Trustee and administrator fee	15,816,280		17,019,758	
	<u>23,724,420</u>		<u>25,529,637</u>	
Other payments				
- Legal and professional fees (non-recurring)	-		-	
	<u>24,340,020</u>		<u>26,274,299</u>	

Year ended 31 December 2023

	Principal Age 65 Plus Fund		Principal Core Accumulation Fund	
	HK\$	% of net assets#	HK\$	% of net assets#
Payments for out-of-pocket expenses				
- Auditor's fees	20,402		53,342	
- Bank charges	-		-	
- Legal and professional fees	31,008		86,206	
- Miscellaneous expenses	94,707		225,766	
- Printing and postage expenses	274,918		716,059	
	<u>421,035</u>	0.03	<u>1,081,373</u>	0.04
Payments for service				
- Investment management fee	3,313,086		6,561,740	
- Trustee and administrator fee	6,626,171		13,123,480	
	<u>9,939,257</u>		<u>19,685,220</u>	
Other payments				
- Legal and professional fees (non-recurring)	-		-	
	<u>10,360,292</u>		<u>20,766,593</u>	

# The net asset value used for calculating the percentage of out-of-pocket expenses is the sum of the net asset value of the relevant DIS constituent fund as at the last dealing day of each month of the relevant year divided by 12.

# PRINCIPAL MPF SCHEME SERIES 800

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 16. BANKING FACILITIES, BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The Scheme had no bank loans, overdrafts or other borrowings as at 31 December 2024 and 2023.

### 17. COMMITMENTS

The Scheme had no commitments as at 31 December 2024 and 2023.

### 18. CONTINGENT LIABILITIES

The Scheme had no contingent liabilities as at 31 December 2024 and 2023.

### 19. NEGOTIABILITY OF ASSETS

At 31 December 2024 and 2023, there was no statutory or contractual requirement restricting the negotiability of the assets of the Scheme.

### 20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

	2024			2023		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$
Investments measured at fair value through profit or loss	45,987,572,610	-	45,987,572,610	42,091,590,438	-	42,091,590,438
Subscriptions in transit	-	197,500,423	197,500,423	-	163,706,923	163,706,923
Contributions receivable						
- by employers	-	125,948,222	125,948,222	-	133,069,415	133,069,415
- by employees	-	97,446,686	97,446,686	-	105,052,581	105,052,581
Amounts receivable from brokers	-	150,630,384	150,630,384	-	113,185,067	113,185,067
Cash and cash equivalents	-	96,720,339	96,720,339	-	88,729,898	88,729,898
Other receivables	-	41,035,234	41,035,234	-	-	-
	<u>45,987,572,610</u>	<u>709,281,288</u>	<u>46,696,853,898</u>	<u>42,091,590,438</u>	<u>603,743,884</u>	<u>42,695,334,322</u>

#### Financial liabilities

	2024	2023
	At amortised cost HK\$	At amortised cost HK\$
Amounts pending for allocation	49,460,113	38,004,904
Amounts payable on redemptions	224,502,587	184,643,269
Amounts payable to brokers	166,921,183	99,880,244
Accrued expenses and other payables	88,441,268	83,880,171
	<u>529,325,151</u>	<u>406,408,588</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2024

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The major methods and assumptions used in estimating the fair values of financial instruments in accordance with the accounting policy stated in note 2.4 are disclosed below:

The carrying amounts of all the Constituent Funds' financial assets and financial liabilities at the year end date approximated their fair values. For the investment funds, the fair values are based on their latest NAV per unit at the year end date. For other financial instruments, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

For the year ended 31 December 2024 and 2023, there was no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

At 31 December 2024 and 2023, all financial instruments of the Scheme carried at fair value were investments in listed security and unit trust which fall into Level 1 and Level 2 of the fair value hierarchy respectively.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Each Constituent Fund normally invests in one or more investment fund (the "Investment Funds") to get its asset allocation. The Investment Funds can either be equity funds or fixed income funds. Further, these funds may be regional or country specific. The purpose is to achieve the asset allocation in accordance with each Constituent Fund's investment objectives and policies as stated in the offering documents of the Scheme. Since the Constituent Funds derive their value from the value of these Investment Funds, their risk profile is a function of the risks inherent in each Investment Fund. These inherent risks include market risk, credit risk and liquidity risk. The portfolio manager of each Investment Fund uses various tools to manage these risks.

Additionally, there is a risk of under-allocation or over-allocation to one or more of these Investment Funds. While the risk of each Investment Fund is managed at that fund's level, the overall asset allocation of the Constituent Fund is managed within set investment guidelines to ensure that risks taken are in line with investment and risk expectations. The Constituent Fund's exposure to Investment Funds is periodically rebalanced to prevent excessive exposure. Each Constituent Fund that is allowed to invest into more than one Investment Fund has internal guidelines that specify the permissible asset allocation ranges within which portfolio managers of the Investment Fund operate.

The Scheme offers a wide range of investment choices to investors to allow them the flexibility of choosing the desired risk profile for their investments. For example, there is a more aggressive balanced fund (Global Growth Fund that invests a majority of its assets into equity assets); and there is also a conservative balanced fund like the Stable Yield Fund (majority invested into fixed income assets).



31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(a) Market risk**

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk. The Constituent Funds solely invest in Investment Funds which are denominated in Hong Kong dollars, their functional currency. So, the direct currency risk and interest rate risk are not significant. There are inherent risks in the Investment Funds level.

To control the risk of the Investment Funds, investment decisions for these funds are based on a risk/reward analysis, with the adoption of diversification policies. Investment decisions are taken in accordance with the investment objectives of the concerned portfolios so that unwarranted deviations (risks) are controlled.

The Investment Funds are also subject to the risk of concentration of investments in issuers located in a particular country or region which may be susceptible to adverse securities markets, exchange rates and social, political, regulatory or economic events which may occur in that country or region.

*Currency risk*

The Investment Funds may invest in financial instruments denominated in currencies other than their functional currency. Consequently, each Investment Fund is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the portfolio's assets or liabilities denominated in currencies other than its functional currency. However, as Hong Kong dollar ("HKD") is pegged to United States dollar ("USD"), the risk of movement in exchange rate between HKD and USD is considered to be insignificant.

The Investment Funds do not generally hedge currency exposures beyond what is required to achieve the minimum HKD currency exposure set by the Mandatory Provident Fund Schemes Authority. Such Investment Funds' effective HKD exposure is monitored on a daily basis, based on which additional hedges may be put in place from time to time.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

*Currency risk sensitivity analysis*

As at year end, had HKD strengthened/weakened by 5% in relation to all currencies except USD, with all other variables held constant the net asset value ("NAV") of the Constituent Funds and the change in net assets available for benefits and total comprehensive income as recorded in the statement of profit or loss and other comprehensive income would have decreased/increased by the percentages as shown below. The analysis is performed on the same basis for 2023.

		2024									
		Principal Age 65 Plus Fund	Principal Aggressive Strategy Fund	Principal Asian Bond Fund	Principal Asian Equity Fund	*Principal Capital Guaranteed Fund	Principal Core Accumulation Fund	Principal MPF Conservative Fund	Principal China Equity Fund	Principal Global Growth Fund	
Change in NAV		<u>1.5071%</u>	<u>2.0912%</u>	<u>0.0406%</u>	<u>3.3589%</u>	<u>-</u>	<u>1.5026%</u>	<u>-</u>	<u>1.1672%</u>	<u>2.1844%</u>	
		2024 (continued)									
		Principal Hang Seng Index Tracking Fund	Principal Hong Kong Bond Fund	Principal HK Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Long Term Accumulation Fund	*Principal Long Term Guaranteed Fund	Principal Stable Yield Fund	Principal US Equity Fund
Change in NAV		-	0.0003%	-	0.2297%	2.5729%	1.3398%	2.2638%	-	2.1974%	-

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

*Currency risk sensitivity analysis (continued)*

		2023									
		Principal Age 65 Plus Fund	Principal Aggressive Strategy Fund	Principal Asian Bond Fund	Principal Asian Equity Fund	*Principal Capital Guaranteed Fund	Principal Core Accumulation Fund	Principal MPF Conservative Fund	Principal China Equity Fund	Principal Global Growth Fund	
Change in NAV		<u>1.5651%</u>	<u>2.0223%</u>	<u>0.0016%</u>	<u>3.4091%</u>	<u>-</u>	<u>1.5801%</u>	<u>-</u>	<u>1.0742%</u>	<u>2.0661%</u>	
		2023 (continued)									
		Principal Hang Seng Index Tracking Fund	Principal Hong Kong Bond Fund	Principal HK Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Long Term Accumulation Fund	*Principal Long Term Guaranteed Fund	Principal Stable Yield Fund	Principal US Equity Fund
Change in NAV		<u>-</u>	<u>-</u>	<u>-</u>	<u>0.2939%</u>	<u>2.5557%</u>	<u>1.7768%</u>	<u>2.1655%</u>	<u>-</u>	<u>2.1157%</u>	<u>-</u>

\* These Constituent Funds were terminated on 26 October 2023.

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(a) Market risk (continued)**

*Interest rate risk*

The Investment Funds holding interest rate debt securities are exposed to interest rate risk, where the value of these securities may fluctuate as a result of changes in interest rates. In general, if interest rates rise, the income potential of the floating interest rate securities also rises but the value of fixed rate securities declines. A fall in interest rates would generally have the opposite effect. Aligning the portfolio maturity profile to that of the internal benchmarks (for Investment Funds that use such internal benchmarks like Bloomberg Barclays Bond Index) and keeping deviations within certain limits is an important way of controlling relative interest rate risk. The portfolio manager of the Investment Funds is also aware of the running yield of the portfolio, in absolute and relative terms, based on which he adjusts portfolio holdings with the objective of optimising total portfolio returns from the two sources i.e. running yield and expected price changes.

Some Investment Funds may not have internal benchmarks. For such funds (especially money market type funds), the portfolio manager may use a laddering technique to control duration risk. Such technique involves staggering investment maturities over different time buckets to reduce reinvestment and price risk arising from interest rate changes.

31 December 2024

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## (a) Market risk (continued)

*Interest rate risk sensitivity analysis*

A change of 100 basis points in interest rates as at the year end date would have changed the NAV of the respective Constituent Funds and the change in net assets available for benefits by the percentages shown below. The analysis is performed on the same basis for 2023.

	2024								
	Principal Age 65 Plus Fund	Principal Aggressive Strategy Fund	Principal Asian Bond Fund	Principal Asian Equity Fund	*Principal Capital Guaranteed Fund	Principal Core Accumulation Fund	Principal MPF Conservative Fund	Principal China Equity Fund	Principal Global Growth Fund
Increase 100 basis points in interest rate	(4.64%)	(0.46%)	(4.26%)	-	-	(2.26%)	(0.10%)	-	(1.86%)
Decrease 100 basis points in interest rate	4.68%	0.51%	4.73%	-	-	2.27%	0.10%	-	2.08%

	2024 (continued)									
	Principal Hang Seng Index Tracking Fund	Principal Hong Kong Bond Fund	Principal HK Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Long Term Accumulation Fund	*Principal Long Term Guaranteed Fund	Principal Stable Yield Fund	Principal US Equity Fund
Increase 100 basis points in interest rate	-	(3.19%)	(1.04%)	-	(7.20%)	-	(3.28%)	-	(4.45%)	-
Decrease 100 basis points in interest rate	-	3.41%	1.04%	-	8.06%	-	3.67%	-	4.98%	-

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.

PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

*Interest rate risk sensitivity analysis (continued)*

		2023								
		Principal Age 65 Plus Fund	Principal Aggressive Strategy Fund	Principal Asian Bond Fund	Principal Asian Equity Fund	*Principal Capital Guaranteed Fund	Principal Core Accumulation Fund	Principal MPF Conservative Fund	Principal China Equity Fund	Principal Global Growth Fund
Increase 100 basis points in interest rate		(4.78%)	(0.31%)	(4.09%)	-	-	(2.28%)	(0.09%)	-	(1.28%)
Decrease 100 basis points in interest rate		4.82%	0.34%	4.61%	-	-	2.30%	0.09%	-	1.39%

		2023 (continued)								
Principal Hang Seng Index Tracking Fund	Principal Hong Kong Bond Fund	Principal HK Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Long Term Accumulation Fund	*Principal Long Term Guaranteed Fund	Principal Stable Yield Fund	Principal US Equity Fund	
Increase 100 basis points in interest rate	-	(2.89%)	(0.38%)	-	(4.95%)	-	(2.29%)	-	(3.03%)	-
Decrease 100 basis points in interest rate	-	3.10%	0.37%	-	5.40%	-	2.50%	-	3.30%	-

\* These Constituent Funds were terminated on 26 October 2023.

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(a) Market risk (continued)**

*Other price risk*

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment (stock-specific) or its issuer, or factors affecting all instruments (generic risks) traded in the market.

The choice of Investment Funds is based on the Investment Manager's views on the suitability of a particular Investment Fund in achieving the asset allocation profile of that Constituent Fund. There is a constant review of such Investment Funds in order to provide the Constituent Funds with more investment options to achieve their target allocations. The performance of each Investment Fund is monitored regularly, as in the normal course of investment operations in consideration of the overall market risks including foreign currency risks, interest rate risks and other price risks. When their performance is found to be below expectations, the portfolio manager takes appropriate action.

Each Constituent Fund derives its other price risk from each of the Investment Funds that it invests into. Such other price risk of these Investment Funds can be mitigated by constructing a diversified portfolio of investments i.e. diversified on asset class or geographies (global vs country specific) or both. The portfolio manager of the Investment Funds manages such risks by regularly monitoring portfolio exposures, both on an absolute basis and relative to underlying benchmarks, if any. For example, if an Investment Fund benchmark has an exposure of x% in a particular stock and of y% in a particular country, the portfolio manager may manage exposure to that stock in his portfolio within  $x \pm 10\%$  and to the country at  $y \pm 10\%$ . Other risks relating to liquidity, sector exposures etc. are also managed in a similar manner. However, it should be noted that while diversification does mitigate risks, diversification benefits may not be visible in the short-term, especially when market volatility increases.

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## (a) Market risk (continued)

*Other price risk sensitivity analysis*

As at year end, the overall market exposures of each Constituent Fund were as follows. An increase in prices of the Investment Funds at the year end would have increased the NAV of the respective Constituent Funds and the change in net assets available for benefits by the amounts shown below. An equal change in the opposite direction would have decreased the NAV by an equal but opposite amount. The analysis is performed on the same basis for 2023.

	2024								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
Overall market exposure	3,148,036,579	1,216,608,092	223,108,194	3,739,802,866	-	3,706,838,804	5,678,152,074	2,680,496,623	3,958,974,070
% change in prices	10%	10%	10%	10%	-	10%	10%	10%	10%
Change in NAV	<u>314,803,658</u>	<u>121,660,809</u>	<u>22,310,819</u>	<u>373,980,287</u>	<u>-</u>	<u>370,683,880</u>	<u>567,815,207</u>	<u>268,049,662</u>	<u>395,897,407</u>

	2024 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Overall market exposure	1,775,545,880	611,637,516	2,304,224,297	3,262,773,290	1,177,738,399	2,578,929,952	1,931,218,393	-	2,085,224,001	5,908,263,580
% change in prices	10%	10%	10%	10%	10%	10%	10%	-	10%	10%
Change in NAV	<u>177,554,588</u>	<u>61,163,752</u>	<u>230,422,430</u>	<u>326,277,329</u>	<u>117,773,840</u>	<u>257,892,995</u>	<u>193,121,839</u>	<u>-</u>	<u>208,522,400</u>	<u>590,826,358</u>

\* These Constituent Funds were terminated on 26 October 2023 and deregistered under the MPF legislation on 29 January 2024.



PRINCIPAL MPF SCHEME SERIES 800

NOTES TO FINANCIAL STATEMENTS

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

*Other price risk sensitivity analysis (continued)*

	2023								
	Principal Age 65 Plus Fund HK\$	Principal Aggressive Strategy Fund HK\$	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	*Principal Capital Guaranteed Fund HK\$	Principal Core Accumulation Fund HK\$	Principal MPF Conservative Fund HK\$	Principal China Equity Fund HK\$	Principal Global Growth Fund HK\$
Overall market exposure	3,121,153,396	1,141,570,080	190,839,374	3,659,959,207	-	2,988,258,268	5,378,089,887	2,355,941,516	3,870,956,821
% change in prices	10%	10%	10%	10%	-	10%	10%	10%	10%
Change in NAV	<u>312,115,340</u>	<u>114,157,008</u>	<u>19,083,937</u>	<u>365,995,921</u>	<u>-</u>	<u>298,825,827</u>	<u>537,808,989</u>	<u>235,594,152</u>	<u>387,095,682</u>

	2023 (continued)									
	Principal Hang Seng Index Tracking Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal HK Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Long Term Accumulation Fund HK\$	*Principal Long Term Guaranteed Fund HK\$	Principal Stable Yield Fund HK\$	Principal US Equity Fund HK\$
Overall market exposure	1,594,277,955	584,614,401	2,126,573,843	3,027,418,619	1,099,044,458	2,294,365,736	1,944,802,886	-	2,097,321,237	4,616,402,754
% change in prices	10%	10%	10%	10%	10%	10%	10%	-	10%	10%
Change in NAV	159,427,796	58,461,440	212,657,384	302,741,862	109,904,446	229,436,574	194,480,289	-	209,732,124	461,640,275

\* These Constituent Funds were terminated on 26 October 2023.

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment to pay dues in time.

The Investment Funds' portfolio manager has a credit review process in place. This ensures review and monitoring of credit quality and credit risk exposure on an ongoing basis, which helps protect portfolios from anticipated negative credit events. The portfolio manager performs this review on a regular basis. The Investment Funds' credit risk is also mitigated through diversification and control of exposure to any single issuer in the Investment Fund.

Credit risk of the Investment Funds arising on debt securities is mitigated by investing primarily in rated securities or securities issued by rated counterparties of minimum credit ratings stipulated by the Authority ("BBB-" / "A-2" by S&P or equivalent ratings by other rating agencies). Typically, in cases where a holding's credit rating of an investment falls below the above minimum ratings, the portfolio manager disposes it as soon as practical.

Substantially all the cash at banks held by the Scheme and the Investment Funds is placed with reputable financial institutions. The Trustee monitors the risk by monitoring the credit rating and financial position of these financial institutions on a regular basis. If the credit quality or the financial position of these financial institutions deteriorates significantly, the Trustee will move the cash balances to another financial institution.

All the investments of the Investment Funds are held by Citibank N.A., as the custodian of the Investment Funds. Bankruptcy or insolvency of the custodian may cause the Investment Funds' rights with respect to securities held by the custodian to be delayed or limited. The Trustee monitors its risk by monitoring the credit quality and financial position of the custodian.

Financial assets subject to HKFRS 9's impairment requirements

The Scheme's financial assets subject to the ECL model within HKFRS 9 are only short-term trade receivables, cash and cash equivalents and others. At 31 December 2024, the total of short-term trade receivables, cash and cash equivalents and others was HK\$709,281,288 on which no loss allowance had been provided (31 December 2023: total of HK\$603,743,884 on which no loss allowance had been provided). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

All trade receivables are expected to be received in three months or less. An amount is in default if it has not been received 30 days after it is due.

As trade receivables are impacted by the ECL model within HKFRS 9, the Scheme has adopted the simplified approach. The loss allowance is therefore based on lifetime ECLs.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: subscriptions in transit, contributions receivable and amounts receivable from brokers.

31 December 2024

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(b) Credit risk (continued)**

Financial assets not subject to HKFRS 9's impairment requirements

The Scheme is exposed to credit risk on debt instruments, money market funds and similar securities. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under HKFRS 9 represents the Scheme's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

**(c) Liquidity risk**

The Constituent Funds are exposed to daily liquidity risk on redemptions of units. This arises from the risk that the Investment Manager may not be able to convert investments into cash to meet liquidity needs in a timely manner. Almost all the Constituent Funds' assets are invested in Investment Funds. These funds have daily pricing and are readily redeemable and are generally convertible into cash. As a result, in most instances, the Constituent Funds should be able to liquidate their Investment Funds quickly at close to their fair values in order to meet liquidity requirements.

The Constituent Funds are not exposed to other activities which give rise to significant liquidity risk.

**(d) Specific instruments**

*Derivatives*

The Investment Manager does not intend to enter into any financial futures contracts, financial options contracts nor derivatives transactions at the Constituent Fund level. The underlying Investment Funds may trade in forward contracts for hedging purpose, currency forwards to settle transactions and exposure to warrants arising mainly from corporate actions relating to underlying securities.

23. EVENT AFTER REPORTING PERIOD

On 16 January 2025, BCT Group, comprising BCT Financial Limited (“BCTF”) and Bank Consortium Trust Company Limited (“BCTC”), and Principal Financial Group® (“Principal®”), announced a strategic relationship. Under this agreement, BCTF will become the sponsor and BCTC will become the trustee of the Principal Mandatory Provident Fund (MPF) Schemes (the “Schemes”). Principal Insurance Company (Hong Kong) Limited and Principal Trust Company (Asia) Limited are the current sponsor and trustee of the Scheme respectively. Principal Asset Management Company (Asia) Limited will continue as the investment manager of the Scheme. The transition is expected to take place in the first quarter of 2026, subject to the required regulatory approvals from the Mandatory Provident Fund Schemes Authority and the Securities and Futures Commission.

With effect from 7 May 2025, the Scheme has gone onboard to the eMPF Platform. The relevant administrative services of the Scheme provided by the Trustee have ceased and the eMPF Platform Company Limited (the “eMPF Company”) have taken up the administration of the Scheme and provides scheme administration services to handle instructions from Scheme Participants directly through the eMPF Platform.

31 December 2024

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee on 30 June 2025.

## **Independent auditor's assurance report To the Trustee of Principal MPF Scheme Series 800**

We have audited the financial statements of Principal MPF Scheme Series 800 (the "Scheme") for the year ended 31 December 2024 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 30 June 2025.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") and the General Regulation.

### **Trustee's Responsibility**

The General Regulation requires the trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
- (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 of, and Schedule 1 to, the General Regulation are complied with;
- (c) the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the MPFSO are complied with; and
- (d) the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



**Independent auditor's assurance report (continued)**  
**To the Trustee of Principal MPF Scheme Series 800**

**Auditor's Responsibility**

Our responsibility is to report on the Scheme's compliance with the above requirements based on the results of the procedures performed by us.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance about whether the Scheme has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended on PN 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Administrator regarding the Scheme's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

Based on the foregoing:

1. in our opinion:
  - (a) proper accounting and other records have been kept during the year ended 31 December 2024 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
  - (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2024, 30 June 2024 and 31 March 2024; and
  - (c) the requirements specified in the MPFSO under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to Principal Core Accumulation Fund and Principal Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2024, 30 June 2024 and 31 March 2024; and
  - (d) the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the Principal Core Accumulation Fund and Principal Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2024.
2. as at 31 December 2024, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

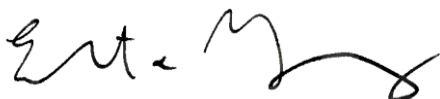
**Independent auditor's assurance report (continued)**  
**To the Trustee of Principal MPF Scheme Series 800**

**Other Matter**

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to Principal Core Accumulation Fund and Principal Age 65 Plus Fund are not applicable to the trustee during the year ended 31 December 2024 as the trustee has completed the relevant transitional provisions. Accordingly, there is no reporting on these sections.

**Intended Users and Purpose**

This report is intended solely for submission by the Trustee to the Mandatory Provident Fund Schemes Authority pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purpose.

A handwritten signature in black ink, appearing to be 'E. M. Y.', written in a cursive style.

Certified Public Accountants  
Hong Kong  
30 June 2025