

# Principal Life Style Fund - Hong Kong Bond Fund



Overall Morningstar Rating™ **★★★★**

As of 30/4/2021

## Important Notes:

1. Principal Hong Kong Bond Fund ("Fund") will invest primarily in Hong Kong dollar debt securities including government bonds, corporate bonds, floating rate notes, bills, commercial papers and certificates of deposit. It may also invest in assets denominated in other currencies. The Fund is therefore subject to interest rate risk, credit risk, currency risk, downgrading risk and liquidity risk.
2. For R6 Class Units of the Fund, dividend is not guaranteed. The manager may at its discretion pay dividend effectively out of the capital attributable to the R6 Class Units of the Fund (i.e. making the distribution from gross income while charging all or part of the fees and expenses attributable to the R6 Class Units to the capital out of such Units of the Fund), resulting in an increase in distributable income for the payment of dividend by the R6 Class Units of the Fund and may result in an immediate reduction of the net asset value per unit of the R6 Class Units of the Fund. Such payment of dividend effectively out of capital amounts to a return or withdrawal of part of an investor's original investment in the R6 Class Units of the Fund or from any capital gains attributable to that original investment.
3. Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
4. The investment decision is yours and you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
5. You should not rely solely on this marketing material when making your investment decision. You should read the Explanatory Memorandum of Principal Life Style Fund for further details (including investment policy, risk factors, fees and charges, and fund information).

## Investment Objective

Seek to provide a return consisting of income and capital growth over medium to long term by investing at least 70% of its assets in Hong Kong debt securities (rated or unrated<sup>1</sup>).

## Fund Information

Fund Managers	Howe Chung Wan 17 years of industry experience
	Prakash Gopalakrishnan 20 years of industry experience
	Raj Singh, CFA 10 years of industry experience
	Randy R. Woodbury, CFA 25 years of industry experience
Fund Domicile	Hong Kong
Base Currency	Hong Kong Dollar
Fund Size	HK\$7,091.3 million
Initial Charge	Up to 5%
Management Fee	0.5% p.a.
For other charges and expenses, please refer to the Explanatory Memorandum.	

## Available Share Class

Share Class	Retail Class Units	R6 Class Units
Inception Date	13 Oct 2011	15 Jan 2015
Unit NAV	HK\$11.9414	HK\$9.7831
Fund Codes - ISIN	HK0000087129	HK0000229630
- Bloomberg	PSHKBDR HK	PRHKBR6 HK
Dividend Policy	N/A	Quarterly <sup>5</sup> (Mar, Jun, Sep, Dec)

## Top Ten Holdings<sup>7</sup>

Bond	%
Hong Kong Government Bond Programme-2.02 07/03/2034	2.6
AIA Group Ltd-3.68% 16/01/2031	2.0
HK Science & Tech Parks-3.2% 11/07/2024	1.8
HKCG Finance Ltd-2.84% 17/11/2027	1.8
MUFG Bank Ltd/Hong Kong-3.01% 14/03/2023	1.7
MTR Corporation (C.I.) Ltd-2.65% 09/04/2025	1.7
Hong Kong Government Bond Programme-1.97% 17/01/2029	1.6
Airport Authority HK-2.3% 24/04/2030	1.6
China Development Bank/HK-2.95% 19/04/2023	1.5
Hang Seng Bank Ltd-2.35% 06/05/2022	1.4
<b>Total</b>	<b>17.7</b>
Total Holdings	209

## Fund Performance (Retail Class Units)

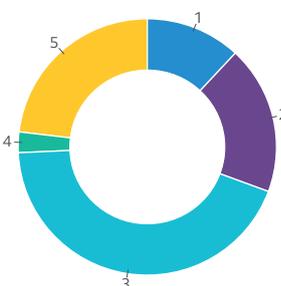
Cumulative Return <sup>2</sup> (%)	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund	0.9	-1.0	0.6	11.6	11.1	19.4
Index <sup>3</sup>	0.9	-1.0	0.7	13.6	14.6	28.9

Calendar Year Return <sup>2</sup> (%)	YTD	2020	2019	2018	2017	2016
Fund	-1.0	6.6	3.3	1.1	2.6	-0.8
Index <sup>3</sup>	-1.1	7.3	3.8	1.8	4.0	-0.4

## Performance Since Inception<sup>2</sup> (Retail Class Units)



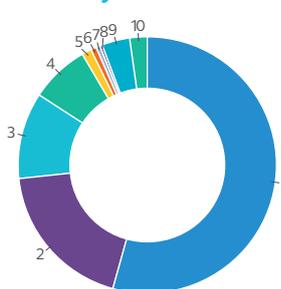
## Credit Rating Breakdown<sup>4,6</sup> (%)



1 AAA	11.9
2 AA	18.7
3 A	43.6
4 BBB	2.6
5 Certificates of Deposits and Others	23.1

Average Credit Rating	AA-
Current Yield	2.5%
Modified Adjust Duration (years)	4.58

## Industry Breakdown<sup>6</sup> (%)



1 Financials	54.3
2 Government	19.0
3 Utilities	10.9
4 Industrials	7.4
5 Consumer Discretionary	1.2
6 Energy	0.7
7 Consumer Staples	0.5
8 Communication Services	0.3
9 Others	3.5
10 Cash	2.2

1 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 MPF Regulation.  
 2 The performance information reflects performance of the retail class units. It is denominated in HK dollar and calculated on NAV to NAV basis. Source: ©Morningstar 2021 and Principal Asset Management Company (Asia) Limited. Outperforming the Markit iBoxx ALBI Hong Kong TR Index is not specifically included in the objective of the Fund and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical. Overall Morningstar Rating™ 2021 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information in this document.  
 3 With effect from 1 April 2016, the index of the Fund has been changed to Markit iBoxx ALBI Hong Kong TR Index. The previous index was HSBC HK Local Currency Bond Index.  
 4 Credit rating breakdown is based on the issue specific, or issuer specific, credit ratings provided by Standard & Poor's Corporation, Moody's Investor Service, Inc., or Fitch Ratings. "Others" refers to those securities which do not hold either an issue specific or issuer specific credit rating, including certificates of deposits.  
 5 The Manager intends to distribute dividend on a quarterly basis in March, June, September and December. For detail of dividend disclosures, please refer to point 2 of the Important Notes above.  
 6 Investments do not always add up to 100% due to rounding.  
 7 Investors should be aware that the exposure of the Fund can change significantly on a daily basis.  
 This flyer is to be read in conjunction with the Explanatory Memorandum. Future performance and the capital value of the Fund are not guaranteed. Past performance figures are not indicative of future performance. The value of units may rise as well as fall. Investors are reminded that in certain circumstances their right to redeem may be suspended. Full details of the risks of investing in the Fund are contained in the Explanatory Memorandum. We recommend investors obtain and read a copy of the Explanatory Memorandum before investing.  
 This material has not been reviewed by the Securities and Futures Commission.  
 Issuer: Principal Asset Management Company (Asia) Limited