

Annual Report and Audited Financial Statements

PRINCIPAL LIFE STYLE FUND

31 December 2021

## PRINCIPAL LIFE STYLE FUND

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## PRINCIPAL LIFE STYLE FUND

### MANAGEMENT AND ADMINISTRATION

#### **Manager**

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

#### **Trustee, Custodian and Registrar**

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

#### **Delegate of the Manager**

Principal Global Investors, LLC  
801 Grand Avenue  
Des Moines  
IA 50392, USA

#### **Sub-Delegate of the Manager**

(for Principal Hong Kong Bond Fund, Principal International Bond Fund, and Principal European Equity Fund)

Principal Global Investors (Europe) Limited  
10 Gresham Street  
London EC2V 7JD  
United Kingdom

(for Principal Asian Equity Fund, Principal China Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund and Principal Asian Bond Fund\*)

Principal Global Investors (Hong Kong) Limited  
Unit 1001-1002, Central Plaza  
18 Harbour Road  
Wan Chai  
Hong Kong

(for Principal Asian Bond Fund\*)

Principal Global Investors (Singapore) Limited  
One Raffles Quay  
#19-01/04 North Tower  
Singapore 048583

\* Principal Asian Bond Fund is not authorised by the Securities and Futures Commission and is not be available for subscription to the retail public.

PRINCIPAL LIFE STYLE FUND

MANAGEMENT AND ADMINISTRATION (continued)

**Legal Advisor to the Manager**

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

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT

Principal Asset Management Company (Asia) Limited (the "Manager") has pleasure in presenting the Manager's report together with the performance of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund (Sub-funds of Principal Life Style Fund and referred to individually or collectively as the "Sub-funds") for the year ended 31 December 2021.

#### **Principal Asian Bond Fund**

##### ***Market Review***

Portfolio outperformed the benchmark in 2021 as security selection and sector allocation offset drag from duration. Overweights in basic industry and banking sectors contributed positively to sector allocation as these sectors outperformed the broader market and more than offset detractions from portfolio's underweight in financial services and sovereign sectors. Security selection was a positive contributor due to underweight in specific issuers in China real estate sector that underperformed while overweight position in a previously stressed Chinese Asset Manager that rallied on potential recapitalization plan added positively. These were only partially offset by overweight to the long-end of the sovereign credit curve and select issuers in basic industry that widened during the quarter.

The year saw a general positive tone in the risk markets for most of the year on the back of progress of vaccination, economic reopening and growth rebound across most geographies. However, Asia and EM equities traded softer due to concerns around tightening of US monetary policy as well as slowdown in China's growth and regulatory actions in certain sectors. With high inflation prints in the US during the later part of 2021, the US yield curve flattened aggressively quarter as the front-end yields moved to reflect a potentially early liftoff by the Fed which no longer such high inflation as transitory.

##### ***Portfolio Strategy and Outlook***

Heading into 2022, the portfolio is positioned underweight duration and with spread and yield level touch lower than its benchmark. Duration contribution mostly comes from the higher spread BBB bonds which have a higher spread buffer to cushion the possibility of higher yields. The portfolio is positioned somewhat defensively in the high beta segments of the credit market, especially those exposed to onshore credit tightening in China, but maintains a small preference for reflationary trades expressed via basic industry sector. With the Fed likely to hike rates in 2022, we are defensively positioned in the belly of the curve while selectively adding long-end opportunities as credit curves have steepened.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal Asian Equity Fund**

##### ***Market Review***

Global equity markets finished the year on a strong note, mostly driven by the strength in developed markets. Using the MSCI All Country World Index (USD) as a proxy, global equities advanced 6.8% during the quarter and 4.0% during December, with developed markets up 7.9% for the quarter and 4.3% during December. Emerging markets fared worse, declining 1.3% during the quarter but up 1.9% during December. Emerging markets continued to face COVID headwinds as the new Omicron variant posed additional supply chain risks and new lockdown measures to control the spread.

##### ***Portfolio Strategy and Outlook***

While an uneven recovery remains ahead with many parts of the world in various stages post-pandemic lows, 2022 should turn the page on many fronts. This includes putting the worst of a pandemic behind the world, reigning in ultra-loose monetary policies by many central banks and improving logistical and supply constraints. This sets the stage for a debate whether the United States will continue its return and/or recovery leadership, or if international and emerging markets are set to take the reins with earnings improving overseas coupled with valuation improvement opportunities, this could very well be the catalyst to outpace the US.

Moving forward, we are increasingly confident that company specific fundamentals will reassert themselves as the key driver of stock specific performance as the volatility of the past year finds more stable ground. With the path to recovery likely uneven across the globe, our analysts remain hyper-focused on the duration of the change they can identify. Various companies have seen an increased dislocation between consensus earnings expectations and our own forecasts. We look to capitalize on this.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal China Equity Fund**

##### ***Market Review***

In 2021, Industrials, energy and utilities sectors outperformed the index, while information technology, real estate and consumer discretionary sectors lagged during the quarter.

Chinese stock markets recorded outstanding performance in January followed by a sheer correction post Chinese New Year. There were two key drivers for the correction: 1) Expectations of monetary normalization, along with extreme positioning dislocation. Over the past year, due to COVID-19 disruption and global monetary easing, the market has assigned a rich premium to companies that were able to offer higher growth visibility amidst macro uncertainty, which led to record high dislocation between Growth vs Value positioning. 2) Regulatory and geopolitical overhangs. The SEC's update on the Holding Foreign Companies Accountable Act reinforced the de-listing risk for ADRs. Moreover, heightened domestic regulation on internet, e-cigarettes, and after school tutoring affected investment sentiment for relevant sectors.

##### ***Portfolio Strategy and Outlook***

Our strategy turned more defensive in the fourth quarter as the authorities introduces a series of policies and regulation aiming to relief the cost of livings of the people which would hurt the profitability of many companies and create market volatility. Looking into 2022, we saw more macro-economic risks including FED's hawkish gesture as well as Chinese economy slowing down after the government crackdown on the property and internet industry. Given the macro uncertainty, our strategy turned more defensive and increased our position in more value names like financials.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal European Equity Fund**

##### ***Market Review***

European markets saw an increase in volatility during the fourth quarter, reflecting the latest COVID-19 variant, omicron. Nonetheless, it has elicited very mixed responses across countries, ranging from strict lockdowns to confusing and inconsistent regulation. Market leadership rotated dizzyingly back and forth from “re-opening” to “stay-at-home” beneficiary themes. Meanwhile, the global energy sector earned the top slot for the full year by a wide margin, after having been at the bottom of the barrel (pun intended) in 2020.

Earnings growth surged in 2021 though is set to moderate in the year ahead amidst a more normalizing outlook, though it remains comfortably positive. Global earnings revisions continue to trend favorably with upgrades outnumbering downgrades signaling we remain on a path of sustained earnings momentum.

##### ***Portfolio Strategy and Outlook***

Moving forward, we are increasingly confident that company specific fundamentals will reassert themselves as the key driver of stock specific performance as the global turbulence of the past year finds more stable ground. With the path to recovery likely uneven across the globe, our analysts remain hyper-focused on the duration of the change they can identify. Various companies have seen an increased dislocation between consensus earnings expectations and our own forecasts. We look to capitalize on this.



## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal Hong Kong Bond Fund**

##### ***Market Review***

Global economic conditions remained positive in Q4'21 as Federal Reserve guided for the end of tapering and a rates lift-off sometime in 2022. A more than hawkish FOMC in December saw market pricing three rate hikes in 2022 while anticipating asset purchases would conclude by March'22. Emergence of omicron threatened to derail global growth momentum as equities came off the highs before recovering on reports of mild symptoms and government efforts to curtail infection risk through new booster campaigns. US equities ended the year on a record high while bond yields, especially the front-end part of the curve, moved higher on the back of Federal Reserve's guidance. Market expectations remained firm for the first-rate hike to occur by May 2022 with March a possible candidate as well.

##### ***Portfolio Strategy and Outlook***

The global economy continues to recover while inflation is expected to be persistent. Even as cyclical supply related constraints recede, relatively sticky pressures from higher wages and housing costs are likely to remain. Focus for the Fed has shifted away from growth to inflation after unemployment rate dropped below 4% reflecting a strong labour market performance. Meanwhile, Omicron fears have subsided after reports of mild symptoms and new booster campaigns initiated by governments globally with temporary lock-downs unlikely to detract from the underlying growth momentum.

Meanwhile, we expect Hong Kong's economic growth to be on a gradual path of recovery supported by broad China macroeconomic stability and Fed's calibrated exit, with potential headwinds from weakening property market in China and any surprises from the ongoing strength in commodities.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal Hong Kong Dollar Savings Fund**

##### ***Market Review***

Hong Kong equity markets underperformed broader global markets, as Asia and Emerging markets' equity markets lagged global risk. Hong Kong aggregate balance declined to HKD\$378bn while the HKD continued to trade off the top side of the band on the back of equity outflows and USD strength. Liquidity remained flush in Hong Kong with HIBOR-LIBOR spreads moving tighter on the back of impending Fed hikes in 2022. The HKD local rates curve continued its flattening path during the quarter on faster than expected rate hike trajectory while HKD swaps outperform USD swaps.

Hong Kong's PMI continued its expansionary path during the quarter as the economic recovery remains underpinned by relatively high consumption expenditure. Headwinds from rising cost, omicron led disruptions and supply chain bottlenecks remain. Meanwhile, unemployment rate continues to fall and touched 4.1% in November as it approaches the pre-pandemic levels.

##### ***Portfolio Strategy and Outlook***

We expect low front-end rates will continue to weigh on incremental returns from reinvestments early this year until rates shift higher over the course of the year. Our strategy of optimizing yield across various options in time deposits, certificate of deposits and public market securities to generate excess returns over 3M HIBOR remains unchanged. Portfolio duration will remain on the shorter side as we look to reinvest at higher rates in the upcoming rate hiking cycle.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal Hong Kong Equity Fund**

##### ***Market Review***

In 2021, Industrials, energy and utilities sectors outperformed the index, while information technology, healthcare and consumer discretionary sectors lagged during the quarter.

Hong Kong's economics activities showed signs of slowing down. Hong Kong Markit PMI declined to 50.8 in December from 52.6 in November. Export growth slightly accelerated to 25.0% in November vs. 21.4% in October, and import growth was 20.0% vs. 17.7% in October. Official CPI was 1.8%, in line with estimates. Retail sales growth was 7.1% in terms of value and 4.2% in terms of volume, both below estimates.

##### ***Portfolio Strategy and Outlook***

Our strategy turned more defensive in the fourth quarter as the authorities introduces a series of policies and regulation aiming to relief the cost of livings of the people which would hurt the profitability of many companies and create market volatility. We increase our position in financials because we believe the valuation is becoming attractive and the loosening monetary policy should benefit financial companies. We continue to like companies that have long-term growth story. Hong Kong's economy is recovering, thus we continued to reduce our underweight in Hong Kong local shares lately, as we think the worst situation is already behind us.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

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

##### ***Market Review***

The portfolio underperformed the index in 2021. Currency allocation and duration and yield curve positioning were the main detractors to performance, while sector allocation and security selection had slight negative impacts. The negative contribution from duration and yield curve positioning was largely caused by an overweight position to the U.S. dollar curve and an underweight to the Chinese renminbi curve. However, underweights to the euro and British pound curves contributed positively to performance. Within security selection, the underperformance was caused by negative issue impacts in the U.S. dollar allocation, specifically within the non-corporate credit, corporate industrial, Treasury, and corporate financial sectors. However, some of this was offset by positive impacts from issue selection within euro treasury and Japanese yen corporate financial and industrial sectors.

##### ***Portfolio Strategy and Outlook***

Although robust consumer and corporate balance sheets remain the foundation of our strong fundamental global outlook, near-term volatility risk remains elevated due to potential COVID-19 lockdown measures, U.S. fiscal negotiations, and incremental reductions in monetary accommodation. Ultimately, markets will continue to be highly intertwined with the Fed. Though Fed policy remains highly accommodative, the level of accommodation will be reduced in coming quarters as quantitative easing concludes in March and the Fed likely will begin a hiking cycle by mid-year.

Overall, the portfolio is positioned with a spread level higher than its benchmark. The portfolio also had a yield advantage while the duration relative to the benchmark is lower. On an asset class basis, the portfolio's largest overweights remain corporates and sovereigns, with exposure to corporates recently increased. The portfolio is underweight Treasury securities as exposure was decreased during the past quarter. The allocation to securitized assets remains underweight. On a currency level, the largest overweights are the U.S. dollar, Japanese yen, Mexican peso, and the Australian dollar. The largest currency underweights are the Chinese renminbi, euro, and Korean won.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal International Equity Fund**

##### ***Market Review***

Equity markets advanced sharply higher over the period with many areas advancing by healthy double-digit returns. The onset of resolution of uncertainties and improving growth prospects broadened equity return strength. The promising path toward recovery was fueled primarily by the accelerated pace of vaccine rollouts, abating lockdowns, and the continuing extraordinary fiscal stimulus and monetary support by governments around the world. In sync with global economies healing, pro-cyclical areas of financial markets began to recover highlighted by a rise in bond yields, especially in the US, steepening yield curves, and rising industrial commodity prices.

The MSCI All Country World Index finished the year with an impressive 19.0% gain. The US led the markets with the S&P 500 posting a full year return to 28.7%. The MSCI Emerging Markets Index pulled back 2.2% for the year, hindered primarily by the aforementioned challenges in Brazil and especially China. The MSCI EAFE was up 11.8% for the year, led by a 17% annual advance for Europe. Across international markets, local investor returns were better, amid a strengthening of the US dollar versus nearly all major currencies. As the year ended, returns were relatively style agnostic for both the year, but with lots of big swings in between.

##### ***Portfolio Strategy and Outlook***

Moving forward, we are increasingly confident that company specific fundamentals will reassert themselves as the key driver of stock specific performance as the global turbulence of the past year finds more stable ground. With the path to recovery likely uneven across the globe, our analysts remain hyper-focused on the duration of the change they can identify. Various companies have seen an increased dislocation between consensus earnings expectations and our own forecasts. We look to capitalize on this.

## PRINCIPAL LIFE STYLE FUND

### MANAGER'S REPORT (continued)

#### **Principal Pension Bond Fund**

##### ***Market Review***

The portfolio underperformed the index during the year, driven by security selection and duration and yield curve positioning. Sector Allocation contributed positively to performance. Within sector allocation, the outperformance was due to overweights to emerging markets, finance companies, energy, and communications. Underweights to REITs, supranational and consumer cyclical were detractors from performance for the year. The negative impact from security selection was due to issuer underperformance within emerging markets, communications, technology, and basic industry. Yield curve and duration positioning also had a negative impact to performance during the year, as the portfolio was overweight the belly part of the curve with front-end yields increase more than yields further out the curve.

##### ***Portfolio Strategy and Outlook***

Although robust consumer and corporate balance sheets remain the foundation of our strong fundamental global outlook, near-term volatility risk remains elevated due to potential COVID lockdown measures, U.S. fiscal negotiations, and incremental reductions in monetary accommodation. Ultimately, markets will continue to be highly intertwined with the Fed.

Though Fed policy remains highly accommodative, the level of accommodation will be reduced in coming quarters as quantitative easing concludes in March and the Fed likely will begin a hiking cycle by mid-year. Due to the potential for continued volatility, our risk-taking remains at a moderate level.

PRINCIPAL LIFE STYLE FUND

MANAGER'S REPORT (continued)

**Principal U.S. Equity Fund**

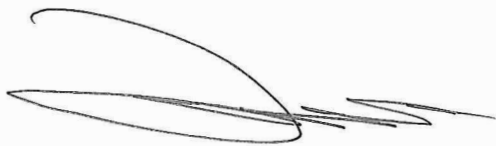
***Market Review***

For the full year ended 31 December, 2021, the S&P 500 Index delivered pre-tax total returns of 28.7%, including an 11.0% advance in the final quarter. The strongest performing economic sectors were Energy (+54.6%), Real Estate (+46.1%) and Financials (+35.0%), all strong beneficiaries of the economic rebound, and resumption of commerce and general improvements in investor sentiment associated with reduced Covid morbidity and vaccine efficacy. Each of those sectors had been the hardest hit amid the pandemic disruption of 2020. Strong, double digit returns were seen across virtually all major economic sectors in 2021.

***Portfolio Strategy and Outlook***

The US led the markets higher for both the quarter and year, with the S&P 500 posting a total return of 11.0% in the fourth quarter and extending its full year return to 28.7%. Amid this evolving environment, several Central Banks have signaled less accommodative policy stances looking ahead, including the Fed. Market sentiment has recalibrated around the expectation that a tapering of bond purchases is all but certain, and that the probability of rate hikes in 2022 has risen significantly. Bond yields were largely unchanged for the quarter, with the US 10-Year Treasury Yield closing at 1.51%, versus 0.93% a year ago. The steepening of the yield curve and expectations for further normalization provided a helpful lift to financial services stocks, particularly banks and insurers.

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

A handwritten signature in black ink, consisting of a large, sweeping loop followed by several horizontal strokes.

Hong Kong  
27 April 2022

# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT

### Performance Table

#### Investment record as at 31 December 2021

	Net asset value per unit						Total net asset value HK\$
	Pension	Retail	Investment	I6	R6	R2	
	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	
Principal Asian Bond Fund	10.1743	-	-	-	-	-	510,513,068
Principal Asian Equity Fund	69.3325	52.7043	27.6763	10.0000	-	-	6,666,898,636
Principal China Equity Fund	21.3818	16.6048	16.8002	-	10.3306	-	5,089,922,753
Principal European Equity Fund	24.8008	-	21.1309	13.3118	-	-	4,392,832,099
Principal Hong Kong Bond Fund	13.1201	11.9607	-	-	9.6247	-	6,805,034,022
Principal Hong Kong Dollar Savings Fund	13.9903	12.4111	-	-	-	-	3,614,672,811
Principal Hong Kong Equity Fund	45.1228	35.7005	36.4782	13.3368	10.2508	12.0725	13,046,618,681
Principal International Bond Fund	19.1408	12.8574	14.5957	-	-	-	6,027,711,214
Principal International Equity Fund	52.1174	39.3032	-	10.0000	-	-	4,409,868,082
Principal Pension Bond Fund	20.0978	-	*9.9687	-	-	-	2,612,515,638
Principal U.S. Equity Fund	58.5667	31.5834	-	-	-	-	6,276,250,630

\*It was launched on 25 May 2021.

#### Investment record as at 31 December 2020

	Net asset value per unit						Total net asset value HK\$
	Pension	Retail	Investment	I6	R6	R2	
	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	
* Principal Asian Bond Fund	10.0977	-	-	-	-	-	289,706,452
Principal Asian Equity Fund	70.1849	54.1099	28.3278	10.0000	-	-	6,650,142,482
Principal China Equity Fund	25.2318	19.9365	20.0682	-	12.5987	-	5,322,001,560
Principal European Equity Fund	20.4270	-	17.6126	13.3118	-	-	2,657,555,600
Principal Hong Kong Bond Fund	13.1430	12.0667	-	-	9.9437	-	6,990,666,442
Principal Hong Kong Dollar Savings Fund	13.9167	12.4026	-	-	-	-	3,557,349,645
Principal Hong Kong Equity Fund	52.5756	42.1951	43.0236	13.3368	12.3446	14.3392	13,813,438,801
Principal International Bond Fund	19.9654	13.5740	15.3786	-	-	-	5,994,305,452
Principal International Equity Fund	43.4613	33.2350	-	10.0000	-	-	3,091,944,719
Principal Pension Bond Fund	20.2145	-	-	-	-	-	2,907,012,105
Principal U.S. Equity Fund	45.4740	24.8639	-	-	-	-	4,358,345,256

\*It was launched on 17 August 2020.

#### Investment record as at 31 December 2019

	Net asset value per unit						Total net asset value HK\$
	Pension	Retail	Investment	I6	R6	R2	
	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	Class HK\$	
Principal Asian Equity Fund	55.8194	43.6398	22.7779	10.0000	-	-	5,235,365,713
Principal China Equity Fund	20.4079	16.4007	16.4268	-	10.6131	-	4,261,880,091
Principal European Equity Fund	17.4307	-	15.2106	13.3118	-	-	981,275,888
Principal Hong Kong Bond Fund	12.2375	11.3150	-	-	9.5502	-	6,387,600,511
Principal Hong Kong Dollar Savings Fund	13.5880	12.1656	-	-	-	-	3,461,792,218
Principal Hong Kong Equity Fund	44.4887	36.2091	36.8450	13.3368	10.8571	12.3654	11,140,250,234
Principal International Bond Fund	18.4856	12.7183	14.3823	-	-	-	5,269,171,769
Principal International Equity Fund	36.6826	28.4474	-	10.0000	-	-	3,662,302,047
Principal Pension Bond Fund	18.8065	-	-	-	-	-	2,629,861,170
Principal U.S. Equity Fund	40.2047	22.2928	-	-	-	-	2,620,246,468



# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

### Performance Table (continued)

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

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%) <sup>*</sup>
<b>Principal Asian Bond Fund</b>				
Pension Class	0.02	10.2668	9.9077	0.76
<b>Principal Asian Equity Fund</b>				
Pension Class	0.04	78.9428	66.5740	(1.21)
Retail Class	-	60.7545	50.6266	(2.60)
Investment Class	1.14	31.8184	26.5832	(2.30)
I6 Class	0.00	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>				
Pension Class	0.03	30.3289	20.7739	(15.26)
Retail Class	-	23.9140	16.1403	(16.71)
Investment Class	1.23	24.0865	16.3280	(16.28)
R6 Class	-	15.1133	10.0471	(18.00)
<b>Principal European Equity Fund</b>				
Pension Class	0.01	25.0838	20.1052	21.41
Investment Class	1.21	21.4049	17.3182	19.98
I6 Class	0.00	13.3118	13.3118	0.00
<b>Principal Hong Kong Bond Fund</b>				
Pension Class	0.01	13.3011	12.9138	(0.17)
Retail Class	-	12.1641	11.8352	(0.88)
R6 Class	-	9.9500	9.6027	(3.21)
<b>Principal Hong Kong Dollar Savings Fund</b>				
Pension Class	0.01	13.9922	13.9193	0.53
Retail Class	-	12.4325	12.4005	0.07
<b>Principal Hong Kong Equity Fund</b>				
Pension Class	0.01	62.9042	43.7951	(14.18)
Retail Class	-	50.3977	34.6636	(15.39)
Investment Class	1.22	51.3995	35.4168	(15.21)
I6 Class	0.00	13.3368	13.3368	0.00
R6 Class	-	14.7464	9.9685	(16.96)
R2 Class	-	17.1161	11.7235	(15.81)
<b>Principal International Bond Fund</b>				
Pension Class	0.01	19.9733	19.0203	(4.13)
Retail Class	-	13.5777	12.7923	(5.28)
Investment Class	1.02	15.3830	14.5189	(5.09)
<b>Principal International Equity Fund</b>				
Pension Class	0.02	52.5679	43.0627	19.92
Retail Class	-	39.7126	32.8924	18.26
I6 Class	0.00	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>				
Pension Class	0.01	20.3371	19.7317	(0.58)
Investment Class**	-	10.1290	9.9086	(0.31)
<b>Principal U.S. Equity Fund</b>				
Pension Class	0.00	58.8900	44.9004	28.79
Retail Class	-	31.7604	24.5461	27.03

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 necessarily 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 Sub-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 Sub-fund/ class)

\*\* Investment class was launched on 25 May 2021.

# The fee and charges of an investment in a listed REIT are not regarded as the underlying fund costs as defined under E3.9 of the Disclosure Code of an APIF for the purposes of calculating FER.

# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

### Performance Table (continued)

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

	Fund expense ratio (%) <sup>#</sup>	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)*
<b>Principal Asian Bond Fund</b>				
Pension Class **	-	10.0977	9.8883	0.98
<b>Principal Asian Equity Fund</b>				
Pension Class	0.03	70.1849	37.8127	25.74
Retail Class	-	54.1099	29.4580	23.99
Investment Class	1.14	28.3278	15.3877	24.37
I6 Class	0.00	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>				
Pension Class	0.03	25.2318	15.9445	23.64
Retail Class	-	19.9365	12.7635	21.56
Investment Class	1.23	20.0682	12.7987	22.17
R6 Class	-	12.6008	8.2591	18.71
<b>Principal European Equity Fund</b>				
Pension Class	0.02	20.4892	11.9015	17.19
Investment Class	1.22	17.6675	10.3547	15.79
I6 Class	0.00	13.3118	13.3118	0.00
<b>Principal Hong Kong Bond Fund</b>				
Pension Class	0.01	13.1430	12.2306	7.40
Retail Class	-	12.0667	11.3081	6.64
R6 Class	-	10.0563	9.5444	4.12
<b>Principal Hong Kong Dollar Savings Fund</b>				
Pension Class	0.01	13.9174	13.5894	2.42
Retail Class	-	12.4036	12.1665	1.95
<b>Principal Hong Kong Equity Fund</b>				
Pension Class	0.01	52.5756	34.7243	18.18
Retail Class	-	42.1951	28.1702	16.53
Investment Class	1.22	43.0236	28.6790	16.77
I6 Class	0.00	13.3368	13.3368	0.00
R6 Class	-	12.3572	8.4465	13.70
R2 Class	-	14.3392	9.6079	15.96
<b>Principal International Bond Fund</b>				
Pension Class	0.01	19.9654	17.9219	8.01
Retail Class	-	13.5741	12.2978	6.73
Investment Class	1.02	15.3786	13.9131	6.93
<b>Principal International Equity Fund</b>				
Pension Class	0.02	43.4613	24.3091	18.48
Retail Class	-	33.2350	18.7851	16.83
I6 Class	0.00	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>				
Pension Class	0.01	20.2145	17.2030	7.49
<b>Principal U.S. Equity Fund</b>				
Pension Class	0.00	45.4740	27.8619	13.11
Retail Class	-	24.8639	15.3910	11.53

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\*\* Sub-fund/ class was launched on 17 August 2020.

# The fee and charges of an investment in a listed REIT are not regarded as the underlying fund costs as defined under E3.9 of the Disclosure Code of an APIF for the purposes of calculating FER.

# PRINCIPAL LIFE STYLE FUND

## 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 Asian Equity Fund</b>			
Pension Class	56.1293	46.7657	15.50
Retail Class	44.3208	37.0705	13.90
Investment Class	23.0836	19.2912	14.24
I6 Class	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>			
Pension Class	20.4881	16.7132	17.93
Retail Class	16.6542	13.6586	15.95
Investment Class	16.6193	13.6126	16.53
R6 Class	11.0926	9.1012	12.60
<b>Principal European Equity Fund</b>			
Pension Class	17.5011	13.6739	25.65
Investment Class	15.2741	12.0733	24.17
I6 Class	13.3118	13.3118	0.00
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	12.4117	11.7604	4.07
Retail Class	11.5021	10.9468	3.34
R6 Class	9.8362	9.4850	0.66
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	13.5880	13.2705	2.42
Retail Class	12.1656	11.9352	1.96
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	46.2187	37.8706	13.72
Retail Class	38.0056	31.2521	12.14
Investment Class	38.6151	31.7369	12.37
I6 Class	13.3368	13.3368	0.00
R6 Class	11.6874	9.6434	8.96
R2 Class	14.3492	10.5178	11.55
<b>Principal International Bond Fund</b>			
Pension Class	18.8276	17.2653	7.52
Retail Class	13.0089	12.0277	6.17
Investment Class	14.6989	13.5660	6.45
<b>Principal International Equity Fund</b>			
Pension Class	36.7588	29.8621	21.20
Retail Class	28.5110	23.4791	19.53
I6 Class	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>			
Pension Class	18.8855	17.1789	9.50
<b>Principal U.S. Equity Fund</b>			
Pension Class	40.2688	31.0745	26.61
Retail Class	22.3319	17.4783	24.80

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# PRINCIPAL LIFE STYLE FUND

## 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 Asian Equity Fund</b>			
Pension Class	64.3084	47.4909	(18.46)
Retail Class	51.6447	37.6985	(19.60)
Investment Class	26.8044	19.6293	(19.37)
I6 Class	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>			
Pension Class	22.7278	16.8733	(11.89)
Retail Class	18.8746	13.8307	(13.38)
Investment Class	18.7228	13.7729	(12.95)
R6 Class	12.9014	9.2181	(15.56)
<b>Principal European Equity Fund</b>			
Pension Class	17.2819	13.4822	(13.42)
Investment Class	15.4335	11.9068	(14.47)
I6 Class	14.2251	12.7961	0.86
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	11.7590	11.3913	1.78
Retail Class	10.9492	10.6528	1.06
R6 Class	9.6513	9.3121	(1.64)
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	13.2667	13.0182	1.94
Retail Class	11.9321	11.7607	1.48
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	49.7805	37.0094	(12.99)
Retail Class	41.6267	30.6141	(14.20)
Investment Class	42.1941	31.0817	(14.03)
I6 Class	15.8859	12.7003	(7.10)
R6 Class	13.2295	9.4734	(16.68)
R2 Class	14.3492	10.5178	(14.63)
<b>Principal International Bond Fund</b>			
Pension Class	17.5619	16.9036	(0.96)
Retail Class	12.3411	11.7826	(2.14)
Investment Class	13.8986	13.2952	(1.95)
<b>Principal International Equity Fund</b>			
Pension Class	37.2375	29.0219	(12.59)
Retail Class	29.6681	22.8235	(13.82)
I6 Class	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>			
Pension Class	17.3514	16.9776	(1.12)
<b>Principal U.S. Equity Fund</b>			
Pension Class	38.1442	29.7586	(5.08)
Retail Class	21.5518	16.7305	(6.42)

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# PRINCIPAL LIFE STYLE FUND

## 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 Asian Equity Fund</b>			
Pension Class	59.2705	41.6117	43.58
Retail Class	47.7098	33.9385	41.52
Investment Class	24.7471	17.5456	42.05
I6 Class	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>			
Pension Class	20.0432	13.8851	41.70
Retail Class	16.6938	11.7373	39.35
Investment Class	16.5453	11.5815	40.05
R6 Class	11.4156	8.3616	33.71
<b>Principal European Equity Fund</b>			
Pension Class	16.0467	12.4050	29.43
Investment Class	14.3435	11.2184	27.90
I6 Class	13.2184	10.3185	28.15
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	11.7051	11.1868	3.34
Retail Class	10.9998	10.5634	2.61
R6 Class	9.9112	9.6272	0.24
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	13.0183	12.8261	1.49
Retail Class	11.7629	11.6402	1.03
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	45.2360	31.5072	43.48
Retail Class	37.9185	26.7352	41.52
Investment Class	38.4218	27.0412	41.81
I6 Class	14.4603	10.1599	42.08
R6 Class	12.0795	8.7504	37.41
R2 Class #	13.0897	10.0000	29.85
<b>Principal International Bond Fund</b>			
Pension Class	17.4624	15.9408	8.36
Retail Class	12.3621	11.3965	6.87
Investment Class	13.9038	12.7779	7.29
<b>Principal International Equity Fund</b>			
Pension Class	34.7316	27.9495	24.63
Retail Class	27.7010	22.6002	22.91
I6 Class	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>			
Pension Class	17.4007	16.5378	5.02
<b>Principal U.S. Equity Fund</b>			
Pension Class	33.6584	27.5810	21.39
Retail Class	19.2057	15.9616	19.59

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# R2 Class was launched on 1 February 2017.

# PRINCIPAL LIFE STYLE FUND

## 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>			
Pension Class	44.9150	34.3849	6.11
Retail Class	36.8028	28.4113	4.57
Investment Class	19.0058	14.6401	4.96
I6 Class	10.0000	10.0000	0.00
<b>Principal China Equity Fund</b>			
Pension Class	15.2357	11.1501	2.30
Retail Class	12.9494	9.5679	0.57
Investment Class	12.7572	9.3991	1.08
R6 Class	9.2919	7.0270	(2.45)
<b>Principal European Equity Fund</b>			
Pension Class	12.9602	11.1366	(4.00)
Investment Class	11.8026	10.1345	(5.14)
I6 Class	10.8433	9.3118	2.99
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	11.5685	11.0583	(0.08)
Retail Class	10.9537	10.5118	(0.78)
R6 Class	10.0996	9.6392	(3.10)
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	12.8396	12.6558	1.12
Retail Class	11.6518	11.5361	0.65
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	34.6391	25.7981	1.92
Retail Class	29.5239	22.1626	0.50
Investment Class	29.8439	22.3767	0.71
I6 Class	11.2057	8.3931	0.91
R6 Class	9.7688	7.4968	(2.79)
<b>Principal International Bond Fund</b>			
Pension Class	16.9941	15.6431	2.50
Retail Class	12.1999	11.3296	1.16
Investment Class	13.6744	12.6645	1.48
<b>Principal International Equity Fund</b>			
Pension Class	28.1664	24.1612	2.84
Retail Class	22.7941	19.7828	1.40
I6 Class	10.0000	10.0000	0.00
<b>Principal Pension Bond Fund</b>			
Pension Class	16.9161	16.0247	3.36
<b>Principal U.S. Equity Fund</b>			
Pension Class	28.0476	23.0338	6.55
Retail Class	16.2513	13.5186	4.98

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# PRINCIPAL LIFE STYLE FUND

## 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>			
Pension Class	48.9112	37.0683	(7.71)
Retail Class	40.8928	30.8392	(9.04)
Investment Class	21.0112	15.8643	(8.72)
<b>Principal China Equity Fund</b>			
Pension Class	18.2263	12.5608	(6.96)
Retail Class	15.8616	10.8594	(8.55)
Investment Class	15.5149	10.6433	(8.07)
R6 Class #	11.9736	8.0266	(14.42)
<b>Principal European Equity Fund</b>			
Pension Class	13.7081	11.7471	5.48
Investment Class	12.6429	10.8800	4.22
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	11.2318	10.8365	3.16
Retail Class	10.6957	10.3798	2.43
R6 Class #	10.0579	9.9215	-
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	12.6955	12.5535	0.99
Retail Class	11.5878	11.5068	0.45
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	39.2582	28.7460	(3.85)
Retail Class	34.0799	24.8478	(5.20)
Investment Class	34.3527	25.0635	(5.00)
I6 Class	12.8657	9.3927	(4.81)
R6 Class #	11.7680	8.4735	(10.47)
<b>Principal International Bond Fund</b>			
Pension Class	16.1440	15.4279	(2.91)
Retail Class	11.8404	11.2362	(4.15)
Investment Class	13.1986	12.5484	(3.87)
<b>Principal International Equity Fund</b>			
Pension Class	29.2400	25.3916	(1.93)
Retail Class	24.2024	20.9023	(3.37)
<b>Principal Pension Bond Fund</b>			
Pension Class	16.2046	15.8321	1.08
<b>Principal U.S. Equity Fund</b>			
Pension Class	27.2545	23.8684	0.38
Retail Class	16.1296	14.1046	(1.10)

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# R6 Class was launched on 2 January 2015.

# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued) Performance Table (continued)

### Performance record for the year ended 31 December 2014

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)*
<b>Principal Asian Equity Fund</b>			
Pension Class	45.7393	38.2642	1.55
Retail Class	38.5938	32.5538	0.10
Investment Class	19.7870	16.6577	0.44
<b>Principal China Equity Fund</b>			
Pension Class	15.0947	12.1942	9.71
Retail Class	13.2768	10.8183	7.85
Investment Class	12.9456	10.5235	8.40
<b>Principal European Equity Fund</b>			
Pension Class	13.5898	11.3051	(3.78)
Investment Class	12.6751	10.4991	(4.84)
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	10.9169	10.4003	4.12
Retail Class	10.4634	10.0319	3.38
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	12.5619	12.4109	1.22
Retail Class	11.5236	11.4503	0.42
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	33.6933	28.6071	4.23
Retail Class	29.5455	25.1973	2.77
Investment Class	29.7372	25.3442	2.99
I6 Class	11.1216	9.9529	5.19
<b>Principal International Bond Fund</b>			
Pension Class	16.8485	16.0287	(0.12)
Retail Class	12.6015	11.7749	(4.01)
Investment Class	13.8467	13.1180	(1.11)
<b>Principal International Equity Fund</b>			
Pension Class	28.6356	25.5374	2.30
Retail Class	24.0104	21.5021	0.81
<b>Principal Pension Bond Fund</b>			
Pension Class	15.9195	15.1706	4.45
<b>Principal U.S. Equity Fund</b>			
Pension Class	26.1634	21.8247	12.90
Retail Class	15.6119	13.2357	10.85

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# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

### Performance Table (continued)

#### Performance record for the year ended 31 December 2013

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)*
<b>Principal Asian Equity Fund</b>			
Pension Class	42.9624	36.5621	4.06
Retail Class	36.9482	31.3806	2.57
Investment Class	18.8591	16.0256	2.91
<b>Principal China Equity Fund</b>			
Pension Class	13.7351	10.7442	7.29
Retail Class	12.2398	9.6456	5.45
Investment Class	11.8883	9.3478	6.00
<b>Principal European Equity Fund</b>			
Pension Class	12.7056	10.0101	28.91
Investment Class	11.9017	9.4867	27.39
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	10.6697	10.2489	(1.61)
Retail Class	10.3436	9.9207	(2.32)
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	12.4066	12.1890	1.81
Retail Class	11.4634	11.3138	1.34
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	31.1707	25.9009	11.81
Retail Class	27.6523	23.0959	10.22
Investment Class	27.7607	23.1877	10.47
<b>Principal International Bond Fund</b>			
Pension Class	16.4072	15.5437	(1.97)
Retail Class	13.0101	12.1194	(5.61)
Investment Class	13.6900	12.9027	(2.94)
<b>Principal International Equity Fund</b>			
Pension Class	26.9279	21.5599	26.99
Retail Class	22.7457	18.4748	25.14
<b>Principal Pension Bond Fund</b>			
Pension Class	15.4237	14.7326	0.15
<b>Principal U.S. Equity Fund</b>			
Pension Class	22.8227	17.4916	32.74
Retail Class	13.8684	10.8681	29.74

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# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

### Performance Table (continued)

#### Performance record for the year ended 31 December 2012

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return (%)*
<b>Principal Asian Equity Fund</b>			
Pension Class	40.1961	31.8699	26.18
Retail Class	34.7460	27.9430	24.37
Investment Class	17.7135	14.2365	24.45
<b>Principal China Equity Fund</b>			
Pension Class	12.3849	10.0269	22.40
Retail Class	11.2144	9.1687	20.28
Investment Class	10.8396	8.8361	20.93
<b>Principal European Equity Fund</b>			
Pension Class	9.9864	7.7494	21.52
Investment Class	9.4702	7.3963	20.07
<b>Principal Hong Kong Bond Fund</b>			
Pension Class	10.5868	10.1479	4.05
Retail Class	10.2937	9.9368	3.25
<b>Principal Hong Kong Dollar Savings Fund</b>			
Pension Class	12.1865	12.0074	1.51
Retail Class	11.3121	11.1972	1.03
<b>Principal Hong Kong Equity Fund</b>			
Pension Class	27.5059	21.7538	27.22
Retail Class	24.7020	19.8079	25.42
Investment Class	24.7721	19.8215	25.70
<b>Principal International Bond Fund</b>			
Pension Class	16.5451	15.4453	6.07
Retail Class	13.2027	12.6070	3.01
Investment Class	13.8157	13.0151	5.01
<b>Principal International Equity Fund</b>			
Pension Class	21.3675	17.6144	19.98
Retail Class	18.3237	15.2271	18.20
<b>Principal Pension Bond Fund</b>			
Pension Class	15.1525	13.9185	8.59
<b>Principal U.S. Equity Fund</b>			
Pension Class	17.8579	15.1407	15.53
Retail Class	11.1854	9.6662	9.38

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PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)  
Portfolio Statement as at 31 December 2021

Principal Asian Bond Fund

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments</b>				
<i>Non-certificates of deposit</i>				
<i>Denominated in CNY</i>				
China Government-3.03%	11.03.2026	2,000,000	2,489,783	0.49
<i>Denominated in Singapore Dollar</i>				
CMT MTN Pte. Ltd-2.1%	08.03.2028	500,000	2,861,186	0.56
Singapore Life Holdings Pte. Ltd-Floating	24.02.2031	250,000	1,473,554	0.29
<i>Denominated in United States Dollar</i>				
AAC Technologies Holdings Inc-2.625%	02.06.2026	700,000	5,352,381	1.05
AIA Group Ltd-3.2%	11.03.2025	215,000	1,751,039	0.34
Alibaba Group Holding Ltd-3.15%	09.02.2051	900,000	6,568,045	1.29
Baidu Inc-2.375%	23.08.2031	300,000	2,250,314	0.44
Baidu Inc-3.075%	07.04.2025	700,000	5,659,994	1.11
Bangkok Bank Pcl-4.05%	19.03.2024	250,000	2,060,113	0.40
Bangkok Bank Pcl-Floating	25.09.2034	400,000	3,184,131	0.62
Bank of China Ltd-5%	13.11.2024	250,000	2,125,215	0.42
BCEG (HongKong) Co Ltd-2.22%	02.07.2026	250,000	1,923,283	0.38
Beijing State-Owned Assets Management (Hong Kong) Co Ltd-4.125%	26.05.2025	500,000	4,080,432	0.80
Bharat Petroleum Corp Ltd-4%	08.05.2025	300,000	2,444,468	0.48
Bharti Airtel Ltd-3.25%	03.06.2031	300,000	2,364,936	0.46
Bharti Airtel Ltd-4.375%	10.06.2025	200,000	1,660,464	0.33
Blossom Joy Ltd-2.2%	21.10.2030	250,000	1,894,778	0.37
Bluestar Finance Holdings Ltd-3.375%	16.07.2024	250,000	2,015,776	0.39
BOC Aviation (USA) Corp-1.625%	29.04.2024	600,000	4,670,887	0.91
Chalco Hong Kong Investment Co Ltd-1.55%	28.07.2024	500,000	3,855,883	0.76
China Cinda 2020 I Management Ltd-3%	20.01.2031	600,000	4,622,844	0.91
China Construction Bank Corp-Floating	27.02.2029	500,000	4,100,247	0.80
China Overseas Finance Cayman VIII Ltd-3.45%	15.07.2029	250,000	2,025,935	0.40
China Overseas Grand Oceans Finance IV (Cayman) Ltd-2.45%	09.02.2026	850,000	6,433,532	1.26
Chinalco Capital Holdings Ltd-2.125%	03.06.2026	500,000	3,830,224	0.75
Chongqing Nan'an Urban Construction & Development (Group) Co Ltd-	07.07.2024	200,000	1,574,280	0.31
CNAC (HK) Finbridge Co Ltd-2%	22.09.2025	300,000	2,327,138	0.46
CNAC (HK) Finbridge Co Ltd-3%	22.09.2030	650,000	5,130,615	1.00
CNAC (HK) Finbridge Co Ltd-3.5%	19.07.2022	300,000	2,365,527	0.46
CNOOC Finance (2013) Ltd-2.875%	30.09.2029	250,000	2,005,981	0.39
Contemporary Ruiding Development Ltd-1.5%	09.09.2026	500,000	3,797,198	0.74
Contemporary Ruiding Development Ltd-1.875%	17.09.2025	450,000	3,502,442	0.69
COSL Singapore Capital Ltd-1.875%	24.06.2025	250,000	1,930,707	0.38
Country Garden Holdings Co Ltd-3.125%	22.10.2025	1,150,000	7,892,401	1.55
Dah Sing Bank Ltd-Floating	02.11.2031	500,000	3,913,156	0.77
DBS Group Holdings Ltd-1.194%	15.03.2027	500,000	3,810,701	0.75

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
DBS Group Holdings Ltd-Floating	11.12.2028	250,000	2,057,745	0.40
DBS Group Holdings Ltd-Floating	10.03.2031	700,000	5,393,657	1.06
ENN Clean Energy International Investment Ltd-3.375%	12.05.2026	500,000	3,875,421	0.76
ENN Energy Holdings Ltd-2.625%	17.09.2030	200,000	1,548,745	0.30
ENN Energy Holdings Ltd-3.25%	24.07.2022	250,000	1,969,090	0.39
Export-Import Bank of India-2.25%	13.01.2031	600,000	4,397,156	0.86
Franshion Brilliant Ltd-4%	21.06.2024	250,000	1,949,341	0.38
GC Treasury Center Co Ltd-2.98%	18.03.2031	250,000	1,967,462	0.39
Genm Capital Labuan Ltd-3.882%	19.04.2031	300,000	2,280,363	0.45
GET International Investment Holdings Ltd-3.75%	18.07.2022	500,000	3,934,550	0.77
GLP China Holdings Ltd-2.95%	29.03.2026	200,000	1,538,734	0.30
GLP China Holdings Ltd-4.974%	26.02.2024	250,000	2,045,923	0.40
Goodman HK Finance-4.375%	19.06.2024	275,000	2,277,169	0.45
Guangzhou Metro Investment Finance (BVI) Ltd-1.507%	17.09.2025	250,000	1,909,212	0.37
Hong Kong Government-2.375%	02.02.2051	400,000	2,892,907	0.57
HPHT Finance 21 II Ltd-1.5%	17.09.2026	400,000	3,040,128	0.60
Huarong Finance II Co Ltd-4.625%	03.06.2026	850,000	6,825,062	1.34
Huarong Finance II Co Ltd-5.5%	16.01.2025	450,000	3,675,122	0.72
Hutchison Whampoa International (03/33) Ltd-7.45%	24.11.2033	387,000	4,470,134	0.88
Hysan (MTN) Ltd-2.875%	02.06.2027	500,000	4,049,955	0.79
Hyundai Capital America-2.65%	10.02.2025	250,000	1,997,487	0.39
ICBCIL Finance Co Ltd-1.75%	25.08.2025	300,000	2,310,599	0.45
ICBCIL Finance Co Ltd-1.75%	02.08.2026	600,000	4,573,178	0.90
Indonesia Asahan Aluminium (Persero) PT-4.75%	15.05.2025	250,000	2,072,609	0.41
Indonesia Government-2.85%	14.02.2030	1,000,000	8,122,685	1.59
Indonesia Government-4.125%	15.01.2025	250,000	2,100,521	0.41
Indonesia Government-4.2%	15.10.2050	1,850,000	16,425,677	3.22
Indonesia Government-4.35%	11.01.2048	400,000	3,567,181	0.70
Industrial and Commercial Bank of China Ltd-4.875%	21.09.2025	250,000	2,138,171	0.42
Kia Corp-1.75%	16.10.2026	500,000	3,846,542	0.75
Kookmin Bank-2.5%	04.11.2030	250,000	1,909,559	0.37
Korea Development Bank-1.25%	03.06.2025	500,000	3,884,781	0.76
Korea Electric Power Corp-2.5%	24.06.2024	250,000	2,012,400	0.39
Korea Midland Power Co Ltd-1.25%	09.08.2026	600,000	4,581,262	0.90
Korea National Oil Corp-2.375%	07.04.2031	500,000	3,932,231	0.77
LEVC Finance Ltd-1.375%	25.03.2024	500,000	3,869,741	0.76
Longfor Group Holdings Ltd-3.375%	13.04.2027	600,000	4,714,855	0.92

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Longfor Group Holdings Ltd-3.95%	16.09.2029	550,000	4,425,341	0.87
Metropolitan Bank & Trust Co-2.125%	15.01.2026	250,000	1,950,694	0.38
Minejesa Capital BV-4.625%	10.08.2030	500,000	3,998,720	0.78
Muang Thai Life Assurance Pcl-Floating	27.01.2037	200,000	1,570,602	0.31
Nanyang Commercial Bank Ltd-Floating	20.11.2029	250,000	1,990,341	0.39
NongHyup Bank-1.25%	20.07.2025	703,000	5,421,656	1.06
NTPC Ltd-4.375%	26.11.2024	500,000	4,145,569	0.81
ONGC Videsh Vankorneft Pte. Ltd-3.75%	27.07.2026	500,000	4,083,520	0.80
Oversea-Chinese Banking Corp Ltd-Floating	10.09.2030	750,000	5,796,460	1.14
Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara-4%	30.06.2050	500,000	3,783,885	0.74
PETRONAS Capital Ltd-3.404%	28.04.2061	300,000	2,395,111	0.47
PETRONAS Capital Ltd-3.5%	18.03.2025	250,000	2,064,865	0.40
Philippine Government-2.457%	05.05.2030	250,000	2,010,137	0.39
Philippine Government-2.95%	05.05.2045	250,000	1,919,862	0.38
Philippine Government-3.2%	06.07.2046	250,000	1,979,652	0.39
PLDT Inc-2.5%	23.01.2031	250,000	1,927,206	0.38
Power Finance Corp Ltd-3.75%	18.06.2024	250,000	2,022,960	0.40
Prudential Plc-Floating	03.11.2033	250,000	1,928,255	0.38
PSA Treasury Pte. Ltd-2.25%	30.04.2030	500,000	3,976,457	0.78
PT Adaro Indonesia-4.25%	31.10.2024	250,000	1,993,006	0.39
PT Bank Mandiri (Persero) Tbk-4.75%	13.05.2025	500,000	4,246,262	0.83
PT Bank Rakyat Indonesia (Persero) Tbk-3.95%	28.03.2024	250,000	2,046,646	0.40
PT Hyundai Motor Manufacturing Indonesia -1.75%	06.05.2026	500,000	3,834,988	0.75
PT Indofood CBP Sukses Makmur Tbk-3.541%	27.04.2032	500,000	3,927,619	0.77
PT Pertamina (Persero)-1.4%	09.02.2026	650,000	4,915,021	0.96
PT Pertamina (Persero)-2.3%	09.02.2031	300,000	2,230,645	0.44
PT Pertamina (Persero)-3.1%	27.08.2030	300,000	2,382,822	0.47
PT Pertamina (Persero)-4.175%	21.01.2050	250,000	2,006,219	0.39
PT Perusahaan Gas Negara Tbk-5.125%	16.05.2024	250,000	2,105,191	0.41
PT Tower Bersama Infrastructure Tbk-2.8%	02.05.2027	750,000	5,736,477	1.12
PTTEP Treasury Center Co Ltd-2.587%	10.06.2027	250,000	1,983,948	0.39
REC Ltd-2.25%	01.09.2026	600,000	4,565,413	0.89
Rongshi International Finance Ltd-1.5%	05.11.2025	200,000	1,544,269	0.30
Sands China Ltd-3.8%	08.01.2026	500,000	3,918,337	0.77
Shinhan Financial Group Co Ltd-1.35%	10.01.2026	500,000	3,840,660	0.75
Sinochem Offshore Capital Co Ltd-2.375%	23.09.2031	600,000	4,508,660	0.88
Sinopec Group Overseas Development 2017 Ltd-3%	12.04.2022	600,000	4,702,519	0.92
Sinopec Group Overseas Development 2018 Ltd-2.7%	13.05.2030	500,000	3,980,047	0.78

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Sinopec Group Overseas Development 2018 Ltd-3.68%	08.08.2049	1,000,000	8,289,267	1.62
SK Battery America Inc-2.125%	26.01.2026	250,000	1,907,358	0.37
State Bank of India-4.5%	28.09.2023	500,000	4,095,429	0.80
State Grid Overseas Investment (2016) Ltd-2.75%	04.05.2022	600,000	4,704,765	0.92
State Grid Overseas Investment (2016) Ltd-3.5%	04.05.2027	700,000	5,890,404	1.15
Sun Hung Kai Properties (Capital Market) Ltd -2.875%	21.01.2030	450,000	3,626,540	0.71
Sunny Express Enterprises Corp-3.125%	23.04.2030	600,000	4,855,619	0.95
Swire Properties MTN Financing Ltd-3.625%	13.01.2026	250,000	2,072,475	0.41
Talent Yield International Ltd-3.125%	06.05.2031	200,000	1,612,059	0.32
Temasek Financial (I) Ltd-2.75%	02.08.2061	350,000	2,787,897	0.55
Tencent Holdings Ltd-2.39%	03.06.2030	500,000	3,819,352	0.75
Tencent Holdings Ltd-3.575%	11.04.2026	250,000	2,075,219	0.41
The Bank of East Asia Ltd-Floating	29.05.2030	500,000	4,017,354	0.79
The Export-Import Bank of Korea-1.25%	21.09.2030	250,000	1,851,751	0.36
The Link Finance (Cayman) 2009 Ltd-2.875%	21.07.2026	250,000	2,010,361	0.39
The Siam Commercial Bank Plc-3.9%	11.02.2024	200,000	1,639,731	0.32
Tingyi (Cayman Islands) Holding Corp-1.625%	24.09.2025	500,000	3,848,257	0.75
Tsmc Arizona Corp-3.125%	25.10.2041	450,000	3,654,749	0.72
United Overseas Bank Ltd-1.25%	14.04.2026	300,000	2,304,962	0.45
United Overseas Bank Ltd-Floating	15.04.2029	250,000	2,040,624	0.40
United States Treasury Note/Bond-0.125%	30.09.2022	2,500,000	19,465,613	3.81
UPL Corp Ltd-4.625%	16.06.2030	250,000	2,051,137	0.40
Vanke Real Estate (Hong Kong) Co Ltd-3.15%	12.05.2025	1,000,000	7,873,973	1.54
Weibo Corp-3.5%	05.07.2024	250,000	2,007,059	0.39
Wharf REIC Finance (BVI) Ltd-2.875%	07.05.2030	350,000	2,781,915	0.54
Woori Bank-0.75%	01.02.2026	250,000	1,877,772	0.37
Yuexiu REIT MTN Co Ltd-2.65%	02.02.2026	400,000	3,021,251	0.59
			<u>475,325,357</u>	<u>93.10</u>
<b>Total non-certificates of deposit</b>			<u>482,149,880</u>	<u>94.44</u>
<b>Total listed/quoted debt instruments</b>			<u>482,149,880</u>	<u>94.44</u>
<b>Total investments</b>			<u>482,149,880</u>	<u>94.44</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Bond Fund (continued)

<i>Investments</i>	<i>Counterparties</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Forward contracts</b>					
<i>Denominated in United States Dollar</i>					
Buy USD Sell SGD FWD Rate 0.73401768	Australia and New Zealand Banking Group Limited	24.02.2022	550,513	(43,836)	(0.01)
Buy USD Sell CNH FWD Rate 0.15597948	Australia and New Zealand Banking Group Limited	16.03.2022	321,354	(8,181)	0.00
				<hr/>	<hr/>
<b>Total forward contracts</b>				(52,017)	(0.01)
<b>Other net assets</b>				28,415,205	5.57
<b>Total net asset value</b>				<u>510,513,068</u>	<u>100.00</u>
<b>Total cost of investments</b>				<u>486,763,319</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>Australia</i>			
Allkem Ltd	634,598	37,346,873	0.56
ALS Ltd	292,548	21,653,449	0.32
Aristocrat Leisure Ltd	241,104	59,444,843	0.89
Australia and New Zealand Banking Group Ltd	153,376	23,876,475	0.36
BHP Group Ltd	94,102	22,098,824	0.33
Cochlear Ltd	9,477	11,590,123	0.17
Commonwealth Bank of Australia	25,259	14,436,428	0.22
Computershare Ltd	6,770	766,198	0.01
CSL Ltd	35,820	58,928,136	0.88
Downer EDI Ltd	688,486	23,220,073	0.35
IDP Education Ltd	17,779	3,486,043	0.05
IGO Ltd	292,217	18,966,671	0.28
Imdex Ltd	1,518,481	25,348,577	0.38
Insurance Australia Group Ltd	277,863	6,698,268	0.10
Integral Diagnostics Ltd	1,660,633	46,421,891	0.70
Lifestyle Communities Ltd	116,827	13,737,604	0.21
Lynas Rare Earths Ltd	385,619	22,192,263	0.33
Macquarie Group Ltd	36,243	42,125,667	0.63
Metcash Ltd	2,388,757	60,828,443	0.91
Mineral Resources Ltd	13,692	4,338,875	0.07
National Australia Bank Ltd	369,839	60,357,351	0.91
NRW Holdings Ltd	2,232,531	22,297,923	0.33
Omni Bridgeway Ltd	664,728	13,842,483	0.21
OZ Minerals Ltd	36,745	5,867,829	0.09
Perenti Global Ltd	2,067,937	10,824,336	0.16
Pro Medicus Ltd	327,117	115,581,472	1.73
Qantas Airways Ltd	191,908	5,440,678	0.08
Santos Ltd	312,467	11,157,213	0.17
South32 Ltd	350,928	7,963,145	0.12
Steadfast Group Ltd	1,019,033	30,273,997	0.45
TabCorp Holdings Ltd	721,596	20,498,404	0.31
Telstra Corp Ltd	459,378	10,865,975	0.16
Webjet Ltd	105,731	3,093,251	0.05
Wesfarmers Ltd	38,940	13,066,909	0.20
Westpac Banking Corp	192,753	23,287,412	0.35
Woolworths Group Ltd	32,691	7,031,505	0.11
		<hr/>	<hr/>
		878,955,607	13.18



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>China</i>			
Alibaba Group Holding Ltd	1,166,024	138,640,254	2.08
A-Living Smart City Services Co Ltd-H	990,000	13,167,000	0.20
Angang Steel Co Ltd-H	1,146,000	3,976,620	0.06
ANTA Sports Products Ltd	86,000	10,053,400	0.15
Beijing Oriental Yuhong Waterpro of Technology Co Ltd-A	13,930	897,446	0.01
Bosideng International Holdings Ltd	7,134,000	35,027,940	0.53
BYD Co Ltd-H	151,500	40,389,900	0.61
China Construction Bank Corp-H	2,775,010	14,985,054	0.22
China Lesso Group Holdings Ltd	3,762,000	42,134,400	0.63
China Longyuan Power Group Corp Ltd-H	6,019,000	109,545,800	1.64
China Meidong Auto Holdings Ltd	430,000	17,286,000	0.26
China Merchants Bank Co Ltd-H	922,500	55,857,375	0.84
China Resources Cement Holdings Ltd	6,950,000	40,935,500	0.61
China Resources Gas Group Ltd	94,000	4,140,700	0.06
China Resources Land Ltd	464,000	15,219,200	0.23
ENN Energy Holdings Ltd	51,200	7,516,160	0.11
Fuyao Glass Industry Group Co Ltd-H	479,200	19,311,760	0.29
Ganfeng Lithium Co Ltd-H	245,600	30,135,120	0.45
Haier Smart Home Co Ltd-H	445,800	14,689,110	0.22
I-Mab-ADR	54,451	20,118,603	0.30
Industrial and Commercial Bank of China Ltd-H	2,074,000	9,125,600	0.14
JD.com Inc	109,100	29,893,400	0.45
Kweichow Moutai Co Ltd-A	13,329	33,416,647	0.50
Li Ning Co Ltd	675,500	57,653,925	0.86
Longfor Group Holdings Ltd	127,500	4,679,250	0.07
Meituan	275,500	62,097,700	0.93
NARI Technology Co Ltd-A	326,096	15,964,029	0.24
NetEase Inc	193,800	30,523,500	0.46
Pharmaron Beijing Co Ltd-H	285,200	34,309,560	0.51
PICC Property and Casualty Co Ltd-H	3,034,000	19,326,580	0.29
Ping An Insurance (Group) Co of China Ltd-H	453,000	25,435,950	0.38
Postal Savings Bank of China Co Ltd-H	7,683,000	42,026,010	0.63
Sunac China Holdings Ltd	5,123,000	60,348,940	0.91
Sunny Optical Technology (Group) Co Ltd	149,500	36,866,700	0.55
Tencent Holdings Ltd	643,600	293,996,480	4.41
Tingyi (Cayman Islands) Holding Corp	1,246,000	19,960,920	0.30
Weichai Power Co Ltd-H	1,252,000	19,105,520	0.29
Wuxi Biologics (Cayman) Inc	307,000	28,412,850	0.43
Yadea Group Holdings Ltd	944,000	14,348,800	0.22
Zhongsheng Group Holdings Ltd	754,000	45,843,200	0.69
Zijin Mining Group Co Ltd-H	1,268,000	11,767,040	0.18
		<u>1,529,129,943</u>	<u>22.94</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Hong Kong</i>			
AIA Group Ltd	1,964,200	154,386,120	2.32
CK Hutchison Holdings Ltd	136,500	6,865,950	0.10
Galaxy Entertainment Group Ltd	1,420,000	57,368,000	0.86
Hong Kong Exchanges and Clearing Ltd	6,200	2,823,480	0.04
Hongkong Land Holdings Ltd	921,822	37,372,802	0.56
Hysan Development Co Ltd	1,669,000	40,222,900	0.60
Link REIT	526,900	36,171,685	0.54
Sun Hung Kai Properties Ltd	116,000	10,973,600	0.16
Swire Pacific Ltd	459,000	20,356,650	0.31
Swire Properties Ltd	1,289,600	25,198,784	0.38
Techtronic Industries Co Ltd	896,500	139,136,800	2.09
		<hr/>	<hr/>
		530,876,771	7.96
<i>India</i>			
Amber Enterprises India Ltd	363,640	126,624,473	1.90
APL Apollo Tubes Ltd	194,150	20,382,423	0.31
Ashok Leyland Ltd	657,750	8,457,168	0.13
Asian Paints Ltd	93,165	33,094,335	0.50
Astral Ltd	38,541	9,234,340	0.14
Bajaj Finance Ltd	69,527	50,938,503	0.76
Caplin Point Laboratories Ltd	237,608	21,411,883	0.32
HDFC Bank Ltd	175,016	27,187,461	0.41
Hindalco Industries Ltd	229,230	11,446,506	0.17
Hindustan Unilever Ltd	165,423	40,995,934	0.61
Housing Development Finance Corp Ltd	343,682	93,339,648	1.40
ICICI Bank Ltd	1,241,118	96,457,967	1.45
ICICI Lombard General Insurance Co Ltd	141,498	20,819,544	0.31
Infosys Ltd	380,347	75,392,780	1.13
Maruti Suzuki India Ltd	800	623,845	0.01
Navin Fluorine International Ltd	272,618	119,899,765	1.80
Nestle India Ltd	3,609	7,467,651	0.11
Pidilite Industries Ltd	74,273	19,207,259	0.29
Reliance Industries Ltd	343,473	85,409,680	1.28
Supreme Industries Ltd	72,178	16,892,385	0.25
Titan Co Ltd	43,686	11,570,750	0.17
Voltas Ltd	263,824	33,773,551	0.51
WNS (Holdings) Ltd-ADR	168,479	115,882,558	1.74
		<hr/>	<hr/>
		1,046,510,409	15.70

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Indonesia</i>			
PT AKR Corporindo Tbk	30,719,000	69,014,964	1.03
PT Bank Central Asia Tbk	12,478,600	49,794,697	0.75
PT Bank Rakyat Indonesia (Persero) Tbk	9,733,596	21,868,022	0.33
		<u>140,677,683</u>	<u>2.11</u>
<i>Malaysia</i>			
CIMB Group Holdings Bhd	5,718,400	<u>58,279,141</u>	<u>0.87</u>
<i>New Zealand</i>			
Auckland International Airport Ltd	128,894	5,282,732	0.08
Mainfreight Ltd	64,603	<u>32,288,915</u>	<u>0.48</u>
		<u>37,571,647</u>	<u>0.56</u>
<i>Singapore</i>			
AEM Holdings Ltd	2,316,200	70,340,368	1.06
DBS Group Holdings Ltd	361,400	68,147,066	1.02
Frencken Group Ltd	9,224,500	104,918,457	1.57
Mapletree Industrial Trust	468,500	7,330,300	0.11
SATS Ltd	367,700	8,258,213	0.12
Sea Ltd-ADR	5,971	10,414,483	0.16
SIA Engineering Co Ltd	1,087,500	13,687,641	0.21
United Overseas Bank Ltd	318,400	<u>49,450,214</u>	<u>0.74</u>
		<u>332,546,742</u>	<u>4.99</u>
<i>South Korea</i>			
Ecopro BM Co Ltd	7,819	25,653,598	0.38
Hana Financial Group Inc	51,533	14,196,594	0.21
Hana Materials Inc	90,624	37,285,126	0.56
Hansol Chemical Co Ltd	13,783	27,585,936	0.41
Hyundai Motor Co	14,796	20,259,250	0.30
KB Financial Group Inc	86,346	31,112,697	0.47
Kia Corp	83,940	45,203,653	0.68
KoMiCo Ltd	60,966	26,800,504	0.40
NAVER Corp	5,339	13,239,103	0.20
Osstem Implant.Co Ltd	109,233	102,119,947	1.53
PSK Inc	114,272	39,528,151	0.59
Samsung Biologics Co Ltd	874	5,170,493	0.08

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>South Korea(continued)</i>			
Samsung Electronics Co Ltd	29,314	13,673,756	0.21
Samsung Electronics Co Ltd	409,752	210,191,713	3.16
SK Hynix Inc	94,389	81,007,537	1.22
		<u>693,028,058</u>	<u>10.40</u>
<i>Taiwan</i>			
Accton Technology Corp	122,000	8,937,449	0.13
Aspeed Technology Inc	35,000	35,156,690	0.53
Cathay Financial Holding Co Ltd	862,800	15,193,945	0.23
Chailase Holding Co Ltd	138,500	10,282,786	0.15
E.SUN Financial Holding Co Ltd	166,000	1,311,962	0.02
Eclat Textile Co Ltd	291,000	51,737,180	0.78
Elite Material Co Ltd	825,000	64,621,814	0.97
eMemory Technology InCorp	41,000	25,299,292	0.38
Feng Tay Enterprises Co Ltd	431,000	28,113,095	0.42
Fubon Financial Holding Co Ltd	1,022,071	21,972,831	0.33
Lotes Co Ltd	128,000	27,445,745	0.41
MediaTek Inc	334,570	112,179,722	1.68
Parade Technologies Ltd	12,000	7,151,086	0.11
Richwave Technology Corp	8,000	615,365	0.01
Taiwan Semiconductor Manufacturing Co Ltd	2,887,000	500,267,507	7.50
United Microelectronics Corp	1,380,600	25,284,923	0.38
		<u>935,571,392</u>	<u>14.03</u>
<i>Thailand</i>			
Bangkok Bank Pcl	2,397,700	68,000,326	1.02
Kasikornbank Pcl	801,600	26,679,448	0.40
PTT Exploration and Production Pcl	852,600	23,580,777	0.35
The Siam Cement Pcl	188,100	17,017,936	0.26
		<u>135,278,487</u>	<u>2.03</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Asian Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>The Philippines</i>			
BDO Unibank Inc	6,679,380	123,295,956	1.85
Wilcon Depot Inc	3,689,300	17,208,746	0.26
		<u>140,504,702</u>	<u>2.11</u>
<b>Total listed shares</b>		<u>6,458,930,582</u>	<u>96.88</u>
<b>Delisted Shares</b>			
<i>Hong Kong</i>			
Peace Mark (Holdings) Ltd	2,010,000	<u>-</u>	<u>-</u>
<b>Total delisted shares</b>		<u>-</u>	<u>-</u>
<b>Total investments</b>		6,458,930,582	96.88
<b>Other net assets</b>		<u>207,968,054</u>	<u>3.12</u>
<b>Total net asset value</b>		<u>6,666,898,636</u>	<u>100.00</u>
<b>Total cost of investments</b>		<u>5,565,938,457</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal China Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>China</i>			
Alibaba Group Holding Ltd	1,007,700	119,815,530	2.35
Anhui Honglu Steel Construction (Group) Co Ltd-A	457,442	29,952,001	0.59
Baidu Inc	678,600	98,125,560	1.93
Bank of Chengdu Co Ltd-A	3,555,000	52,171,376	1.02
Bank of China Ltd-H	19,332,000	54,322,920	1.07
Bosideng International Holdings Ltd	9,638,000	47,322,580	0.93
BYD Co Ltd-H	317,500	84,645,500	1.66
China Construction Bank Corp-H	28,612,620	154,508,148	3.04
China Lesso Group Holdings Ltd	1,157,000	12,958,400	0.25
China Longyuan Power Group Corp Ltd-H	7,380,000	134,316,000	2.64
China Merchants Bank Co Ltd-A	431,919	25,729,531	0.51
China Merchants Bank Co Ltd-H	3,380,500	204,689,275	4.02
China Merchants Port Holdings Co Ltd	4,558,000	64,723,600	1.27
China National Building Material Co Ltd-H	5,624,000	53,765,440	1.06
China New Higher Education Group Ltd	5,657,000	18,668,100	0.37
China Petroleum & Chemical Corp-H	16,626,000	60,352,380	1.19
China Resources Beer (Holdings) Co Ltd	577,000	36,841,450	0.72
China Resources Gas Group Ltd	1,477,000	65,061,850	1.28
China Resources Land Ltd	2,724,000	89,347,200	1.76
Chinasoft International Ltd	6,276,000	63,764,160	1.25
Daqo New Energy Corp-ADR	166,251	52,262,482	1.03
East Money Information Co Ltd-A	1,243,534	56,436,498	1.11
Far East Horizon Ltd	3,885,000	26,884,200	0.53
Fuyao Glass Industry Group Co Ltd-H	1,026,400	41,363,920	0.81
Ganfeng Lithium Co Ltd-H	432,200	53,030,940	1.04
Grand Pharmaceutical Group Ltd	12,056,500	77,884,990	1.53
Hua Hong Semiconductor Ltd	1,268,000	54,524,000	1.07
Hunan Valin Steel Co Ltd-A	2,588,698	16,177,586	0.32
Hygeia Healthcare Holdings Co Ltd	310,800	15,167,040	0.30
I-Mab-ADR	159,091	58,781,080	1.15
JD.com Inc	470,250	128,848,500	2.53
JS Global Lifestyle Co Ltd	3,268,500	42,948,090	0.84
Kweichow Moutai Co Ltd-A	47,424	118,894,970	2.34
Lens Technology Co Ltd-A	2,301,300	64,674,741	1.27
Li Ning Co Ltd	841,500	71,822,025	1.41
Meituan	1,305,100	294,169,540	5.78
Muyuan Foods Co Ltd-A	351,200	22,918,267	0.45
NARI Technology Co Ltd-A	1,527,882	74,797,459	1.47
NetEase Inc	417,900	65,819,250	1.29
Nine Dragons Paper (Holdings) Ltd	2,152,000	18,012,240	0.35
NIO Inc-ADR	78,177	19,309,428	0.38
Orient Securities Co Ltd-H	7,598,000	50,602,680	0.99
PetroChina Co Ltd-H	13,870,000	48,128,900	0.95

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal China Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>China (continued)</i>			
Pharmaron Beijing Co Ltd-H	569,200	68,474,760	1.35
Ping An Insurance (Group) Co of China Ltd-H	1,881,500	105,646,225	2.08
Postal Savings Bank of China Co Ltd-H	9,777,000	53,480,190	1.05
Shandong Head Group Co Ltd-A	693,824	52,243,217	1.03
Shandong Hi-Speed Road&Bridge Co Ltd-A	2,727,000	20,610,335	0.40
Shandong Pharmaceutical Glass Co Ltd	541,279	29,060,102	0.57
Shanghai Friendess Electronic Technology Corp Ltd-A	31,600	14,896,280	0.29
Shanghai Kelai Mechatronics Engineering Co Ltd-A	1,102,299	49,042,607	0.96
Shenzhen Mindray Bio-Medical Electronics Co Ltd-A	159,709	74,376,848	1.46
Shenzhen Transsion Holdings Co Ltd-A	286,000	54,878,271	1.08
Shimao Services Holdings Ltd	3,360,147	18,211,997	0.36
Sinoma Science & Technology Co Ltd-A	693,958	28,872,137	0.57
SINOPEC Engineering (Group) Co Ltd-H	9,156,000	35,250,600	0.69
Sunac China Holdings Ltd	3,868,000	45,565,040	0.90
Sunac Services Holdings Ltd	5,489,724	43,643,306	0.86
Tencent Holdings Ltd	1,065,200	486,583,364	9.57
Tingyi (Cayman Islands) Holding Corp	3,122,000	50,014,440	0.98
Will Semiconductor Co Ltd Shanghai-A	149,453	56,800,893	1.12
Wingtech Technology Co Ltd-A	411,600	65,085,663	1.28
Wuliangye Yibin Co Ltd-A	122,034	33,230,318	0.65
WuXi AppTec Co Ltd-A	123,774	17,949,498	0.35
Wuxi Biologics (Cayman) Inc	1,102,000	101,990,100	2.00
Xiaomi Corp	2,948,600	55,728,540	1.09
Yadea Group Holdings Ltd	974,000	14,804,800	0.29
Yifeng Pharmacy Chain Co Ltd-A	716,360	48,280,658	0.95
Zhejiang Dingli Machinery Co Ltd-A	623,929	61,241,493	1.20
Zhejiang Expressway Co Ltd-H	2,108,000	14,650,600	0.29
Zhengzhou Coal Mining Machinery Group Co Ltd-A	4,913,696	69,647,120	1.37
Zhongsheng Group Holdings Ltd	877,500	53,352,000	1.05
		<u>4,768,151,229</u>	<u>93.69</u>
<i>Hong Kong</i>			
AIA Group Ltd	317,000	24,916,200	0.49
EC Healthcare	4,173,000	46,487,220	0.91
Hong Kong Exchanges and Clearing Ltd	108,500	49,410,900	0.97
		<u>120,814,320</u>	<u>2.37</u>
<i>Singapore</i>			
Yangzijiang Shipbuilding (Holdings) Ltd	3,584,000	27,727,814	0.54

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal China Equity Fund (continued)

	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Total listed shares</b>	<u>4,916,693,363</u>	<u>96.60</u>
<b>Total investments</b>	4,916,693,363	96.60
<b>Other net assets</b>	<u>173,229,390</u>	<u>3.40</u>
<b>Total net asset value</b>	<u>5,089,922,753</u>	<u>100.00</u>
<b>Total cost of investments</b>	<u>4,982,724,281</u>	

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



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>Belgium</i>			
KBC Group NV	35,210	<u>23,420,548</u>	<u>0.53</u>
<i>Denmark</i>			
A.P. Moller-Maersk A/S-B	1,196	33,241,615	0.76
Carlsberg AS-B	16,874	22,589,799	0.51
Genmab A/S	7,860	24,501,145	0.56
Novo Nordisk A/S-B	138,830	120,942,446	2.75
Pandora A/S	38,629	37,332,946	0.85
Vestas Wind Systems A/S	79,948	<u>18,951,591</u>	<u>0.43</u>
		<u>257,559,542</u>	<u>5.86</u>
<i>Finland</i>			
Kesko Oyj-B	134,955	34,903,044	0.79
Neste Oyj	55,876	<u>21,356,437</u>	<u>0.49</u>
		<u>56,259,481</u>	<u>1.28</u>
<i>France</i>			
AXA SA	198,664	45,854,923	1.04
BNP Paribas	90,029	48,226,515	1.10
Capgemini SE	29,502	56,041,913	1.28
Compagnie de Saint-Gobain SA	99,771	54,412,498	1.24
Dassault Systemes	88,799	40,945,579	0.93
Hermes International	4,631	62,701,830	1.43
Kering	8,491	52,909,181	1.20
L'Oreal	19,941	73,290,069	1.67
LVMH Moet Hennessy-Louis Vuitton SE	21,012	134,652,996	3.07
Pernod Ricard	20,075	37,426,580	0.85
Publicis Groupe Sa	56,955	29,721,299	0.68
Sartorius Stedim Biotech SA	8,793	37,390,269	0.85
Schneider Electric SE	53,063	80,666,720	1.84
Teleperformance SE	16,444	<u>56,820,854</u>	<u>1.29</u>
		<u>811,061,226</u>	<u>18.47</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Germany</i>			
Bayerische Motoren Werke AG	51,312	40,024,633	0.91
Deutsche Post AG	128,348	63,967,463	1.46
Deutsche Telekom AG	350,028	50,292,660	1.14
Evotec SE	61,698	23,113,954	0.53
HeidelbergCement AG	32,824	17,221,408	0.39
Infineon Technologies AG	109,614	39,383,510	0.90
Merck KGaA	14,779	29,572,302	0.67
PUMA SE	40,564	38,438,237	0.88
Siemens AG	43,423	58,440,806	1.33
Wacker Chemie AG	9,344	10,839,342	0.25
		<u>371,294,315</u>	<u>8.46</u>
<i>Ireland</i>			
Bank of Ireland Group Plc	279,200	12,271,055	0.28
CRH Plc	144,414	59,219,294	1.35
Kingspan Group Plc	54,982	50,889,016	1.16
		<u>122,379,365</u>	<u>2.79</u>
<i>Italy</i>			
Amplifon Spa	30,843	12,900,515	0.29
ENEL Spa	693,815	43,092,386	0.98
Ferrari N V	10,429	20,914,057	0.48
Intesa Sanpaolo Spa	2,022,781	40,546,516	0.92
MEDIOBANCA-Banca di Credito finanziario Spa	328,120	29,241,394	0.67
		<u>146,694,868</u>	<u>3.34</u>
<i>Netherlands</i>			
Adyen NV	2,835	57,764,522	1.31
Akzo Nobel NV	36,445	31,001,270	0.71

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Netherlands(continued)</i>			
ASM International NV	13,685	46,889,280	1.07
ASML Holding NV	28,213	175,751,313	3.99
BE Semiconductor Industries NV	52,572	34,765,284	0.79
ING Groep NV	442,906	47,794,526	1.09
Koninklijke DSM NV	21,762	37,982,034	0.86
		<u>431,948,229</u>	<u>9.82</u>
<i>Norway</i>			
DNB Bank ASA	188,355	33,578,147	0.76
Equinor ASA	257,416	53,590,977	1.22
Nordic Semiconductor ASA	91,658	24,073,071	0.55
		<u>111,242,195</u>	<u>2.53</u>
<i>Portugal</i>			
Jeronimo Martins SGPS SA	111,365	19,731,450	0.45
<i>Spain</i>			
Iberdrola S.A	654,781	60,084,302	1.37
<i>Sweden</i>			
AAK AB	90,338	15,161,307	0.35
ABet Volvo-B	113,033	20,364,044	0.46
Alfa Laval AB	59,499	18,631,677	0.42
Atlas Copco AB-A	104,691	56,300,055	1.28
Getinge AB-B	112,916	38,337,733	0.87
Indutrade AB	116,624	27,780,821	0.63
Investor AB-B	294,414	57,620,996	1.31
Kinnevik AB	66,546	18,456,618	0.42
NIBE Industrier AB-B	358,291	42,104,368	0.96
Thule Group AB	104,401	49,164,218	1.12
		<u>343,921,837</u>	<u>7.82</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Switzerland</i>			
Alcon Inc	42,487	29,242,795	0.67
Geberit AG	4,203	26,699,696	0.61
Logitech International SA	63,623	41,696,691	0.95
Lonza Group AG	10,555	68,526,610	1.56
Nestle SA	110,550	120,098,776	2.73
Partners Group Holding AG	3,746	48,298,899	1.10
Roche Holding AG	47,067	152,105,310	3.45
SIG Combibloc Group AG	131,428	28,524,653	0.65
Sika AG	14,625	47,400,406	1.08
Straumann Holding AG	2,119	34,989,251	0.80
Tecan Group AG	3,174	15,030,210	0.34
		<u>612,613,297</u>	<u>13.94</u>
<i>United Kingdom</i>			
3i Group Plc	373,477	56,974,937	1.30
Anglo American Plc	138,889	44,101,239	1.00
Ashtead Group Plc	89,136	55,761,878	1.27
AstraZeneca Plc	114,285	104,414,420	2.38
Barclays Plc	2,516,227	49,538,520	1.13
Dechra Pharmaceuticals PLC	60,543	33,941,822	0.77
Electrocomponents Plc	217,670	27,637,419	0.63
Ferguson Plc	32,974	45,494,643	1.04
Greggs Plc	59,713	20,978,610	0.48
Howden Joinery Group Plc	376,007	35,675,389	0.81
Intermediate Capital Group Plc	175,591	40,559,303	0.92
JD Sports Fashion Plc	2,440,399	55,959,048	1.27
Legal & General Group Plc	745,368	23,345,830	0.53
Lloyds Banking Group Plc	10,755,585	54,126,948	1.23
Next Plc	38,346	32,902,529	0.75
OSB Group Plc	300,802	17,560,379	0.40
Paragon Banking Group Plc	406,999	24,274,196	0.55
Persimmon Plc	86,945	26,142,939	0.60
Reckitt Benckiser Group Plc	50,158	33,490,224	0.76
Rio Tinto Plc	82,493	42,486,910	0.97
SEGRO Plc	208,181	31,484,610	0.72
St. James's Place Plc	105,758	18,744,677	0.43
Taylor Wimpey Plc	1,975,144	36,494,506	0.83
WH Smith Plc	114,429	17,829,921	0.41
		<u>929,920,897</u>	<u>21.18</u>
<b>Total listed shares</b>		<u>4,298,131,552</u>	<u>97.84</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund (continued)

<i>Investments</i>	<i>Counterparties</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Forward contracts</b>					
<i>Hong Kong</i>					
BUY HKD SELL CHF FWD RATE 8.4744	Australia and New Zealand Banking Group Limited	11.03.2022	189,473,239	(2,163,567)	(0.05)
BUY HKD SELL DKK FWD RATE 1.190533	Australia and New Zealand Banking Group Limited	11.03.2022	89,057,848	(236,448)	(0.01)
BUY HKD SELL EUR FWD RATE 8.855008	Royal Bank of Canada	11.03.2022	330,905,494	(842,796)	(0.02)
BUY HKD SELL GBP FWD RATE 10.308367	State Street Bank and Trust Company	11.03.2022	289,486,041	(6,928,549)	(0.16)
BUY HKD SELL NOK FWD RATE 0.875566	State Street Bank and Trust Company	11.03.2022	25,335,520	(210,409)	0.00
BUY HKD SELL SEK FWD RATE 0.862643	Australia and New Zealand Banking Group Limited	11.03.2022	103,494,743	137,511	0.00
BUY HKD SELL USD FWD RATE 7.796701	State Street Bank and Trust Company	11.03.2022	21,893,673	3,876	0.00
BUY HKD SELL EUR FWD RATE 8.855787	Citibank, N.A.	11.03.2022	330,934,598	(813,682)	(0.02)
BUY HKD SELL EUR FWD RATE 8.855008	Royal Bank of Canada	11.03.2022	20,099,160	(51,192)	0.00
BUY HKD SELL USD FWD RATE 7.796351	State Street Bank and Trust Company	11.03.2022	51,282,492	6,776	0.00
BUY USD SELL HKD FWD RATE 0.12826487	State Street Bank and Trust Company	11.03.2022	3,642,567	(3,811)	0.00
BUY EUR SELL HKD FWD RATE 0.11341302	Royal Bank of Canada	11.03.2022	1,877,390	112,435	0.00
BUY USD SELL HKD FWD RATE 0.1281684	State Street Bank and Trust Company	11.03.2022	2,500,822	(17,293)	0.00

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal European Equity Fund (continued)

<i>Investments</i>	<i>Counterparties</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Forward contracts (continued)</b>					
<i>Hong Kong(continued)</i>					
BUY HKD SELL EUR FWD RATE 8.81229	Australia and New Zealand Banking Group Limited	11.03.2022	17,734,055	(131,364)	0.00
BUY HKD SELL CHF FWD RATE 8.47805	Australia and New Zealand Banking Group Limited	11.03.2022	14,498,551	(159,243)	0.00
BUY EUR SELL HKD FWD RATE 0.11361674	Australia and New Zealand Banking Group Limited	11.03.2022	1,857,589	140,451	0.00
BUY HKD SELL EUR FWD RATE 8.832752	Royal Bank of Canada	11.03.2022	17,262,943	(87,582)	0.00
BUY HKD SELL GBP FWD RATE 10.453232	State Street Bank and Trust Company	11.03.2022	14,651,375	(142,736)	0.00
BUY HKD SELL EUR FWD RATE 8.862719	Australia and New Zealand Banking Group Limited	11.03.2022	16,233,231	(27,184)	0.00
				<u>(11,414,807)</u>	<u>(0.26)</u>
<b>Total forward contracts</b>				<u>(11,414,807)</u>	<u>(0.26)</u>
<b>Total investments</b>				4,286,716,745	97.58
<b>Other net assets</b>				<u>106,115,354</u>	<u>2.42</u>
<b>Total net asset value</b>				<u>4,392,832,099</u>	<u>100.00</u>
<b>Total cost of investments</b>				<u>3,324,492,524</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments</b>				
<i>Certificates of deposit</i>				
<i>Denominated in Hong Kong Dollar</i>				
China Development Bank-2.95%	19.04.2023	105,000,000	107,780,610	1.57
China Development Bank-3.2%	05.12.2022	50,000,000	51,159,350	0.75
China Development Bank-3.3%	09.11.2022	10,000,000	10,225,140	0.15
China Development Bank-3.75%	26.01.2022	20,000,000	20,040,120	0.29
China Development Bank-4.15%	26.11.2025	13,000,000	14,220,544	0.21
China Development Bank-4.25%	15.06.2026	5,000,000	5,534,740	0.08
China Development Bank-4.27%	03.03.2025	15,000,000	16,251,750	0.24
China Development Bank-4.47%	14.01.2026	7,000,000	7,765,009	0.11
Hang Seng Bank Ltd-2.35%	06.05.2022	100,000,000	100,647,700	1.48
Mizuho Bank Ltd-0.7%	15.06.2024	34,000,000	33,578,366	0.49
Mizuho Bank Ltd-1.35%	23.11.2024	6,000,000	6,005,844	0.09
Mizuho Bank Ltd-1.5%	16.12.2024	15,000,000	14,967,000	0.22
MUFG Bank Ltd-2.76%	28.03.2022	19,000,000	19,098,097	0.28
MUFG Bank Ltd-3.01%	14.03.2023	117,000,000	120,265,353	1.76
Sumitomo Mitsui Banking Corp-2%	19.08.2024	50,000,000	50,679,450	0.74
Sumitomo Mitsui Banking Corp-2.11%	09.08.2022	25,000,000	25,165,950	0.37
Sumitomo Mitsui Banking Corp-2.7%	21.02.2022	22,000,000	22,049,214	0.32
Sumitomo Mitsui Banking Corp-3.18%	30.05.2022	10,000,000	10,089,400	0.15
The Bank of China Ltd Hong Kong Branch -2.59%	25.07.2022	37,000,000	37,412,328	0.55
The Bank of China Ltd Hong Kong Branch -2.59%	17.10.2022	41,000,000	41,621,150	0.61
<b>Total certificates of deposit</b>			<b>714,557,115</b>	<b>10.46</b>

*Non-certificates of deposit*

*Denominated in Hong Kong Dollar*

AIA Group Ltd-2.95%	16.07.2022	47,000,000	47,625,100	0.70
AIA Group Ltd-3.68%	16.01.2031	114,500,000	127,468,269	1.86
Airport Authority Hong Kong-1.55%	30.10.2027	25,000,000	24,580,400	0.36
Airport Authority Hong Kong-1.9%	19.11.2030	30,000,000	29,702,010	0.44
Airport Authority Hong Kong-1.95%	16.06.2027	1,000,000	1,008,716	0.01
Airport Authority Hong Kong-1.95%	20.11.2030	73,000,000	72,569,957	1.07
Airport Authority Hong Kong-2.25%	05.09.2022	34,000,000	34,383,588	0.51
Airport Authority Hong Kong-2.3%	24.04.2030	110,000,000	112,675,420	1.65
Ascendas REIT-3%	04.02.2026	14,000,000	14,553,686	0.21
Ascendas REIT-3.57%	20.03.2029	20,000,000	21,560,520	0.32
BMW Finance NV-2.74%	24.05.2024	33,000,000	34,147,410	0.50

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
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**Listed/quoted debt instruments (continued)**

*Non-certificates of deposit (continued)*

*Denominated in Hong Kong Dollar (continued)*

BOC Aviation Ltd-3.25%	27.07.2027	12,000,000	12,531,960	0.18
BOC Aviation Ltd-3.6%	11.02.2026	36,000,000	38,208,672	0.56
CDBL FUNDING 2-1.2%	03.02.2023	10,000,000	9,996,330	0.15
Citigroup Inc-1.56%	01.06.2027	37,000,000	36,335,998	0.53
CK Property Finance (MTN) Ltd-2.25%	25.08.2022	84,000,000	84,944,580	1.25
CK Property Finance (MTN) Ltd-3.57%	05.09.2028	43,000,000	46,528,537	0.68
CLP Power Hong Kong Financing Ltd-3.22%	20.03.2030	25,000,000	26,522,225	0.39
CLP Power Hong Kong Financing Ltd-3.45%	01.03.2027	5,000,000	5,372,280	0.08
CLP Power Hong Kong Financing Ltd-3.97%	23.03.2026	7,000,000	7,646,807	0.11
CLP Power Hong Kong Financing Ltd-4.75%	18.08.2023	1,000,000	1,058,863	0.02
CMT MTN Pte. Ltd-2.53%	01.02.2033	32,000,000	31,448,640	0.46
CMT MTN Pte. Ltd-3.836%	20.11.2025	12,000,000	12,825,528	0.19
Commonwealth Bank of Australia-2.75%	20.02.2024	18,000,000	18,580,356	0.27
Commonwealth Bank of Australia-2.83%	20.02.2024	45,000,000	46,527,930	0.68
Commonwealth Bank of Australia-Floating	30.03.2027	15,000,000	15,097,560	0.22
Corporacion Andina de Fomento-2.89%	18.03.2026	31,000,000	31,906,440	0.47
DBS Group Holdings Ltd-2.8%	13.01.2022	25,000,000	25,013,600	0.37
First Abu Dhabi Bank P.J.S.C.-1.45%	27.04.2026	25,000,000	24,473,825	0.36
First Abu Dhabi Bank P.J.S.C.-2.17%	11.06.2025	20,000,000	20,306,980	0.30
General Property Trust-2.2%	18.11.2030	12,000,000	11,568,876	0.17
General Property Trust-3.5%	23.03.2031	16,000,000	17,050,848	0.25
HKCG (Finance) Ltd-1.98%	21.08.2030	56,000,000	54,283,600	0.80
HKCG (Finance) Ltd-2.25%	22.07.2026	10,000,000	10,143,780	0.15
HKCG (Finance) Ltd-2.3%	17.06.2026	21,000,000	21,353,472	0.31
HKCG (Finance) Ltd-2.69%	10.02.2030	25,000,000	25,613,175	0.38
HKCG (Finance) Ltd-2.7%	07.02.2030	65,500,000	67,347,428	0.99
HKCG (Finance) Ltd-2.8%	25.02.2025	6,000,000	6,221,766	0.09
HKCG (Finance) Ltd-2.84%	17.11.2027	119,000,000	123,929,337	1.81
HKCG (Finance) Ltd-2.85%	10.11.2025	73,000,000	75,943,360	1.12
HKCG (Finance) Ltd-3.2%	27.07.2022	20,000,000	20,301,600	0.30
HKCG (Finance) Ltd-3.25%	11.05.2030	12,000,000	12,823,524	0.19
HKCG (Finance) Ltd-3.3%	16.05.2022	10,000,000	10,103,710	0.15
HKCG (Finance) Ltd-3.4%	07.02.2022	28,000,000	28,059,528	0.41
HKCG (Finance) Ltd-3.55%	13.12.2023	33,000,000	34,480,050	0.51
HKCG (Finance) Ltd-3.6%	02.11.2026	10,000,000	10,764,580	0.16
HKCG (Finance) Ltd-3.8%	05.04.2027	6,000,000	6,536,862	0.10
Hong Kong Government-0.8%	27.08.2027	40,000,000	39,229,920	0.58
Hong Kong Government-1.25%	29.06.2027	77,000,000	77,300,069	1.14
Hong Kong Government-1.49%	22.02.2028	20,000,000	20,347,620	0.30
Hong Kong Government-1.59%	04.03.2036	64,500,000	64,628,097	0.95
Hong Kong Government-1.68%	21.01.2026	3,000,000	3,073,629	0.05



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Hong Kong Dollar (continued)</i>				
Hong Kong Government-1.89%	02.03.2032	73,000,000	75,703,774	1.11
Hong Kong Government-1.97%	17.01.2029	107,000,000	112,056,178	1.64
Hong Kong Government-2.02%	07.03.2034	93,000,000	97,988,985	1.44
Hong Kong Science and Technology Parks Corp-3.2%	11.07.2024	120,000,000	125,609,280	1.84
Hongkong Electric Finance Ltd-2.55%	01.08.2028	11,000,000	11,219,263	0.16
Hongkong Electric Finance Ltd-3.4%	16.07.2027	20,000,000	21,473,720	0.32
Hongkong Land Notes Co Ltd-2.65%	18.08.2035	6,000,000	5,890,596	0.09
Hongkong Land Notes Co Ltd-2.9%	07.12.2022	20,000,000	20,375,400	0.30
Hongkong Land Notes Co Ltd-2.9%	02.07.2035	10,000,000	10,140,000	0.15
Hongkong Land Notes Co Ltd-3.15%	10.05.2028	19,000,000	20,119,480	0.30
Hongkong Land Notes Co Ltd-3.75%	27.11.2028	5,000,000	5,462,045	0.08
Hongkong Land Notes Co Ltd-3.83%	05.11.2028	30,000,000	32,912,130	0.48
Hongkong Land Notes Co Ltd-3.95%	06.11.2023	10,000,000	10,505,220	0.15
HSBC Holdings Plc-1.55%	03.06.2027	105,000,000	101,883,075	1.50
Hysan (MTN) Ltd-2.1%	17.03.2025	7,000,000	7,052,276	0.10
Hysan (MTN) Ltd-2.73%	17.02.2027	56,000,000	57,787,184	0.85
Hysan (MTN) Ltd-3.66%	28.11.2025	32,000,000	34,075,168	0.50
Korea Expressway Corp-3.02%	05.03.2023	13,000,000	13,329,537	0.20
Korea Hydro & Nuclear Power Co Ltd-3.35%	13.03.2028	40,000,000	42,856,680	0.63
Lloyds Bank Plc-3.046%	02.10.2025	71,000,000	74,025,807	1.09
MTR Corp (C.I.) Ltd-1.92%	26.10.2022	70,000,000	70,723,520	1.04
MTR Corp (C.I.) Ltd-2.25%	12.10.2022	67,500,000	68,351,715	1.00
MTR Corp (C.I.) Ltd-2.25%	28.12.2024	55,000,000	56,447,435	0.83
MTR Corp (C.I.) Ltd-2.25%	04.12.2025	20,000,000	20,502,340	0.30
MTR Corp (C.I.) Ltd-2.46%	20.09.2032	19,000,000	19,448,286	0.29
MTR Corp (C.I.) Ltd-2.65%	09.04.2025	111,000,000	114,882,225	1.68
MTR Corp (C.I.) Ltd-2.83%	06.09.2047	39,000,000	39,497,718	0.58
MTR Corp (C.I.) Ltd-3%	09.11.2045	10,000,000	10,508,040	0.15
National Australia Bank Ltd-2.4%	18.06.2026	24,000,000	24,290,640	0.36
National Australia Bank Ltd-3.185%	16.03.2028	50,000,000	52,165,450	0.77
QNB Finance Ltd-1.4%	01.09.2025	25,000,000	24,702,175	0.36
Standard Chartered Plc-2.25%	01.06.2023	85,000,000	85,515,780	1.26
State Grid Overseas Investment (2016) Ltd-2.7%	17.04.2024	68,000,000	70,104,192	1.03
State Grid Overseas Investment (2016) Ltd-2.85%	17.04.2029	30,000,000	31,032,390	0.46
Sumitomo Mitsui Banking Corp-2.92%	30.04.2025	18,000,000	18,713,412	0.27
Sun Hung Kai Properties (Capital Market) Ltd -0.7%	16.06.2024	30,000,000	29,461,980	0.43
Sun Hung Kai Properties (Capital Market) Ltd -0.82%	23.08.2024	45,000,000	44,220,150	0.65
Sun Hung Kai Properties (Capital Market) Ltd -1.9%	14.10.2027	50,000,000	49,095,900	0.72

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Hong Kong Dollar (continued)</i>				
Sun Hung Kai Properties (Capital Market) Ltd -1.9%	03.06.2028	25,000,000	24,381,425	0.36
Sun Hung Kai Properties (Capital Market) Ltd -2.05%	06.08.2027	15,000,000	14,866,635	0.22
Sun Hung Kai Properties (Capital Market) Ltd -2.28%	25.08.2026	5,000,000	5,040,780	0.07
Sun Hung Kai Properties (Capital Market) Ltd -2.5%	05.09.2024	31,500,000	32,318,055	0.47
Sun Hung Kai Properties (Capital Market) Ltd -2.55%	24.07.2024	10,000,000	10,269,030	0.15
Sun Hung Kai Properties (Capital Market) Ltd -2.55%	16.08.2024	59,000,000	60,600,375	0.89
Sun Hung Kai Properties (Capital Market) Ltd -3.12%	15.02.2026	30,000,000	31,456,800	0.46
Sun Hung Kai Properties (Capital Market) Ltd -3.21%	01.03.2029	19,000,000	19,925,414	0.29
Sun Hung Kai Properties (Capital Market) Ltd -3.21%	27.03.2029	31,000,000	32,569,158	0.48
Sun Hung Kai Properties (Capital Market) Ltd -3.23%	10.01.2023	7,000,000	7,171,199	0.11
Sun Hung Kai Properties (Capital Market) Ltd -3.25%	05.12.2022	3,000,000	3,069,840	0.05
Sun Hung Kai Properties (Capital Market) Ltd -3.25%	30.07.2023	19,000,000	19,652,821	0.29
Sun Hung Kai Properties (Capital Market) Ltd -3.38%	18.01.2029	27,500,000	29,217,925	0.43
Sun Hung Kai Properties (Capital Market) Ltd -3.39%	24.01.2029	35,500,000	37,673,594	0.55
Sun Hung Kai Properties (Capital Market) Ltd -3.88%	22.11.2028	40,000,000	43,733,840	0.64
Swire Pacific MTN Financing (HK) Ltd-2%	21.01.2028	18,000,000	17,669,718	0.26
Swire Pacific MTN Financing (HK) Ltd-2.35%	25.01.2031	37,000,000	36,193,400	0.53
Swire Pacific MTN Financing (HK) Ltd-2.55%	02.03.2027	34,000,000	34,441,830	0.51
Swire Pacific MTN Financing (HK) Ltd-2.83%	09.08.2029	16,500,000	16,921,724	0.25
Swire Pacific MTN Financing (HK) Ltd-2.95%	06.08.2029	21,000,000	21,688,233	0.32
Swire Pacific MTN Financing (HK) Ltd-3.01%	28.05.2029	40,500,000	42,020,654	0.62
Swire Pacific MTN Financing Ltd-2.6%	21.07.2028	5,000,000	5,030,315	0.07
Swire Pacific MTN Financing Ltd-2.7%	30.06.2027	24,000,000	24,603,000	0.36
Swire Pacific MTN Financing Ltd-2.85%	18.07.2022	38,000,000	38,448,134	0.56
Swire Pacific MTN Financing Ltd-2.85%	18.07.2022	8,000,000	8,094,344	0.12
Swire Pacific MTN Financing Ltd-2.9%	24.01.2023	10,000,000	10,203,380	0.15
Swire Pacific MTN Financing Ltd-3.15%	15.11.2022	15,000,000	15,302,400	0.22

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Hong Kong Dollar (continued)</i>				
Swire Pacific MTN Financing Ltd-3.35%	31.07.2025	11,000,000	11,527,802	0.17
Swire Pacific MTN Financing Ltd-3.78%	28.02.2022	15,000,000	15,077,085	0.22
Swire Pacific MTN Financing Ltd-3.9%	05.11.2030	10,000,000	11,021,870	0.16
Swire Properties MTN Financing Ltd-2.25%	21.06.2023	25,000,000	25,432,350	0.37
Swire Properties MTN Financing Ltd-2.4%	18.06.2027	32,000,000	32,387,904	0.48
Swire Properties MTN Financing Ltd-2.45%	22.06.2028	43,000,000	43,310,417	0.64
Swire Properties MTN Financing Ltd-2.65%	03.06.2026	13,000,000	13,320,229	0.20
Swire Properties MTN Financing Ltd-2.65%	07.06.2027	7,000,000	7,176,750	0.11
Swire Properties MTN Financing Ltd-2.95%	22.02.2024	24,000,000	24,815,448	0.36
Swire Properties MTN Financing Ltd-3%	07.04.2027	42,000,000	43,564,080	0.64
Swire Properties MTN Financing Ltd-3.1%	24.10.2024	36,000,000	37,519,344	0.55
Swire Properties MTN Financing Ltd-3.55%	17.07.2024	5,000,000	5,261,195	0.08
The Export-Import Bank of Korea-3.13%	26.04.2023	9,000,000	9,280,503	0.14
The Hong Kong Mortgage Corp Ltd-0.26%	12.05.2022	44,000,000	43,978,352	0.65
The Hong Kong Mortgage Corp Ltd-0.27%	02.06.2022	76,000,000	75,952,348	1.12
The Hong Kong Mortgage Corp Ltd-0.34%	05.05.2022	17,000,000	16,997,042	0.25
The Hong Kong Mortgage Corp Ltd-0.35%	27.04.2022	30,000,000	29,996,730	0.44
The Hong Kong Mortgage Corp Ltd-0.435%	08.04.2022	19,000,000	19,003,686	0.28
The Hong Kong Mortgage Corp Ltd-0.5%	09.02.2023	30,000,000	29,920,470	0.44
The Hong Kong Mortgage Corp Ltd-0.71%	28.04.2024	24,000,000	23,736,696	0.35
The Hong Kong Mortgage Corp Ltd-0.9%	04.08.2025	11,000,000	10,745,680	0.16
The Hong Kong Mortgage Corp Ltd-1.92%	10.05.2022	9,000,000	9,047,070	0.13
The Hong Kong Mortgage Corp Ltd-2.29%	09.02.2022	40,000,000	40,075,720	0.59
The Hong Kong Mortgage Corp Ltd-2.45%	01.03.2029	70,000,000	71,901,060	1.06
The Hong Kong Mortgage Corp Ltd-2.47%	15.03.2029	65,000,000	66,856,790	0.98
The Hong Kong Mortgage Corp Ltd-2.98%	02.04.2049	30,000,000	31,876,620	0.47
The Hong Kong Mortgage Corp Ltd-3.2%	16.10.2028	60,000,000	64,446,060	0.95
The Hong Kong Mortgage Corp Ltd-5.056%	05.10.2022	7,000,000	7,235,032	0.11
The Link Finance (Cayman) 2009 Ltd-2.18%	27.10.2038	22,500,000	20,452,275	0.30
Toyota Motor Finance (Netherlands) BV-2.64%	21.02.2024	50,000,000	51,410,150	0.76
United Overseas Bank Ltd-0.71%	09.09.2024	60,000,000	58,941,360	0.87
Urban Renewal Authority-2.15%	10.05.2023	58,000,000	59,007,518	0.87
Victoria Power Networks (Finance) Pty Ltd-2.1%	16.05.2031	33,000,000	32,592,351	0.48
Wells Fargo & Co-3%	05.06.2025	30,500,000	31,816,472	0.47
Westpac Banking Corp-2.84%	20.02.2024	20,000,000	20,796,920	0.31
Westpac Banking Corp-Floating	14.07.2027	51,000,000	51,543,660	0.76
Wharf REIC Finance (BVI) Ltd-1.15%	22.04.2024	13,000,000	12,758,382	0.19
Wharf REIC Finance (BVI) Ltd-1.5%	02.03.2026	26,000,000	25,613,406	0.38
Wharf REIC Finance (BVI) Ltd-1.5%	24.08.2026	20,000,000	19,512,620	0.29
Wharf REIC Finance (BVI) Ltd-1.7%	12.03.2026	18,000,000	17,868,348	0.26
Wharf REIC Finance (BVI) Ltd-1.7%	30.03.2026	27,000,000	26,779,761	0.39
Wharf REIC Finance (BVI) Ltd-2.1%	16.03.2027	60,000,000	59,685,600	0.88

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Hong Kong Dollar (continued)</i>				
Wharf REIC Finance (BVI) Ltd-2.55%	16.04.2025	41,000,000	41,988,100	0.62
Wharf REIC Finance (BVI) Ltd-2.68%	13.02.2027	2,000,000	2,045,100	0.03
Wheelock MTN (BVI) Ltd-1.65%	26.11.2024	10,000,000	9,944,690	0.15
Wheelock MTN (BVI) Ltd-2.05%	19.11.2026	12,000,000	11,943,324	0.18
			<u>5,485,564,557</u>	<u>80.64</u>
<i>Denominated in United States Dollar</i>				
AIA Group Ltd-3.125%	13.03.2023	5,000,000	39,869,667	0.59
Chalco Hong Kong Investment Co Ltd-1.55%	28.07.2024	800,000	6,169,412	0.09
China Cinda Finance (2017) I Ltd-3.65%	09.03.2022	1,700,000	13,302,067	0.20
Chinalco Capital Holdings Ltd-2.125%	03.06.2026	1,600,000	12,256,716	0.18
CNAC (HK) Finbridge Co Ltd-3.5%	19.07.2022	2,000,000	15,770,182	0.23
DBS Group Holdings Ltd-Floating	10.03.2031	2,000,000	15,410,447	0.23
Hong Kong Government-2.375%	02.02.2051	3,800,000	27,482,612	0.40
ICBCIL Finance Co Ltd-1.75%	02.08.2026	1,800,000	13,719,535	0.20
ICBCIL Finance Co Ltd-3.65%	05.03.2022	600,000	4,695,736	0.07
PETRONAS Capital Ltd-3.125%	18.03.2022	1,900,000	14,879,534	0.22
Prudential Plc-Floating	03.11.2033	3,250,000	25,067,316	0.37
Sinopec Group Overseas Development 2017 Ltd -3.25%	13.09.2027	4,000,000	33,115,278	0.49
Sinopec Group Overseas Development 2018 Ltd -3.68%	08.08.2049	1,500,000	12,433,900	0.18
State Grid Overseas Investment (2016) Ltd-3.5%	04.05.2027	3,000,000	25,244,587	0.37
The Link Finance (Cayman) 2009 Ltd-2.875%	21.07.2026	1,850,000	14,876,672	0.22
Tsmc Arizona Corp-3.125%	25.10.2041	2,200,000	17,867,660	0.26
United Overseas Bank Ltd-Floating	08.03.2027	1,500,000	11,729,634	0.17
United States Treasury Note/Bond-1.375%	15.11.2031	2,625,000	20,207,056	0.30
Want Want China Finance Ltd-2.875%	27.04.2022	1,750,000	13,707,222	0.20
			<u>337,805,233</u>	<u>4.97</u>
<b>Total non-certificates of deposit</b>			<u>5,823,369,790</u>	<u>85.61</u>
<b>Total listed/quoted debt instruments</b>			<u>6,537,926,905</u>	<u>96.07</u>
<b>Total investments</b>			<u>6,537,926,905</u>	<u>96.07</u>
<b>Other net assets</b>			<u>267,107,117</u>	<u>3.93</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Bond Fund (continued)

	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Total net asset value</b>	<u>6,805,034,022</u>	<u>100.00</u>
<b>Total cost of investments</b>	<u>6,474,273,608</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Dollar Savings Fund

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments</b>				
<i>Certificates of deposit</i>				
<i>Denominated in Hong Kong Dollar</i>				
Bank of Communications Co Ltd-0.8%	30.11.2022	70,000,000	70,097,300	1.94
Industrial and Commercial Bank of China (Macau) Ltd-0.28%	24.06.2022	41,000,000	40,971,259	1.13
Industrial and Commercial Bank of China (Macau) Ltd-0.3%	10.06.2022	90,000,000	89,954,640	2.49
MUFG Bank Ltd-2.76%	28.03.2022	20,000,000	20,103,260	0.56
Sumitomo Mitsui Banking Corp-2.21%	18.11.2022	35,000,000	35,435,365	0.98
The Bank of China Ltd Hong Kong Branch -2.59%	17.10.2022	18,000,000	18,272,700	0.51
The Bank of East Asia Ltd-0.62%	11.02.2022	28,000,000	27,997,872	0.77
<b>Total certificates of deposit</b>			<b>302,832,396</b>	<b>8.38</b>

Non-certificates of deposit

Denominated in Hong Kong Dollar

Agricultural Bank of China Ltd Hong Kong Branch-1%	22.10.2022	81,000,000	81,249,966	2.25
Agricultural Bank of China Ltd-0.66%	02.03.2023	57,000,000	56,892,156	1.57
AIA Group Ltd-2.95%	16.07.2022	8,000,000	8,106,400	0.22
Bank of America Corp-2.35%	07.12.2022	10,000,000	10,144,000	0.28
Bank of China Ltd-1.95%	05.03.2022	60,000,000	60,154,920	1.66
Bank of Communications Co Ltd-2.25%	22.01.2022	81,000,000	81,075,330	2.24
BNP Paribas-3.05%	06.04.2022	30,000,000	30,142,770	0.83
Busan Bank Co Ltd-2.51%	24.05.2022	20,000,000	20,149,500	0.56
Cagamas Global Plc-0.85%	17.03.2022	57,000,000	57,028,272	1.58
CDBL FUNDING 2-1.2%	03.02.2023	151,500,000	151,444,400	4.19
CIMB Bank Bhd-0.88%	05.05.2024	59,000,000	58,324,037	1.61
Citigroup Global Markets Holdings Inc-2.85%	02.04.2022	86,000,000	86,447,200	2.39
Citigroup Inc-0.66%	18.06.2024	65,000,000	63,475,620	1.76
Citigroup Inc-0.72%	02.07.2024	35,000,000	34,208,090	0.95
Citigroup Inc-2.21%	23.08.2022	34,000,000	34,363,664	0.95
CK Property Finance (MTN) Ltd-2.25%	25.08.2022	7,000,000	7,078,715	0.20
CLP Power Hong Kong Financing Ltd-2.83%	20.09.2022	24,000,000	24,394,512	0.67
CLP Power Hong Kong Financing Ltd-2.9%	26.09.2022	23,000,000	23,359,996	0.65
CMT MTN Pte. Ltd-3.76%	28.06.2022	40,000,000	40,600,000	1.12
DBS Group Holdings Ltd-2.8%	13.01.2022	22,000,000	22,011,968	0.61
First Abu Dhabi Bank P.J.S.C.-0.85%	29.06.2024	45,000,000	44,386,785	1.23

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Dollar Savings Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Hong Kong Dollar (continued)</i>				
HKCG (Finance) Ltd-3.2%	27.07.2022	27,000,000	27,407,160	0.76
HKCG (Finance) Ltd-3.3%	16.05.2022	35,000,000	35,362,985	0.98
HKCG (Finance) Ltd-3.4%	07.02.2022	66,000,000	66,140,316	1.83
Hongkong Land Notes Co Ltd-3%	26.10.2022	46,000,000	46,851,644	1.30
Hongkong Land Notes Co Ltd-3.86%	07.03.2022	50,000,000	50,289,550	1.39
Korea Expressway Corp-4%	02.03.2022	3,000,000	3,016,758	0.08
Korea National Oil Corp-3.95%	10.02.2022	35,000,000	35,127,330	0.97
Macquarie Bank Ltd-2.9%	07.07.2022	30,000,000	30,227,850	0.84
MTR Corp (C.I.) Ltd-1.92%	26.10.2022	20,000,000	20,206,720	0.56
QNB Finance Ltd-1.04%	15.01.2023	75,000,000	75,071,550	2.08
QNB Finance Ltd-1.13%	01.09.2024	30,000,000	29,594,190	0.82
QNB Finance Ltd-1.165%	20.11.2022	28,000,000	28,062,328	0.78
Royal Bank of Canada-2.555%	18.03.2022	39,000,000	39,144,183	1.08
Standard Chartered Bank-0.75%	17.05.2024	113,000,000	112,486,641	3.11
Standard Chartered Plc-2.25%	01.06.2023	104,000,000	104,631,072	2.89
Sun Hung Kai Properties (Capital Market) Ltd-0.7%	16.06.2024	20,000,000	19,641,320	0.54
Sun Hung Kai Properties (Capital Market) Ltd-3.23%	10.01.2023	26,000,000	26,635,882	0.74
Sun Hung Kai Properties (Capital Market) Ltd-3.25%	05.12.2022	2,000,000	2,046,560	0.06
Swire Pacific MTN Financing Ltd-2.5%	27.04.2022	28,000,000	28,174,580	0.78
Swire Pacific MTN Financing Ltd-2.85%	18.07.2022	10,000,000	10,117,930	0.28
Swire Pacific MTN Financing Ltd-2.85%	18.07.2022	71,000,000	71,837,303	1.99
Swire Pacific MTN Financing Ltd-2.9%	24.01.2023	3,000,000	3,061,014	0.08
Swire Pacific MTN Financing Ltd-3.15%	15.11.2022	82,000,000	83,653,120	2.31
Swire Pacific MTN Financing Ltd-3.78%	28.02.2022	10,000,000	10,051,390	0.28
The Export-Import Bank of Korea-2.28%	13.04.2022	9,500,000	9,547,614	0.26
The Export-Import Bank of Korea-2.405%	26.10.2022	6,000,000	6,088,506	0.17
The Hong Kong Mortgage Corp Ltd-0.2%	08.08.2022	11,000,000	10,980,343	0.30
The Hong Kong Mortgage Corp Ltd-0.26%	12.05.2022	10,000,000	9,995,080	0.28
The Hong Kong Mortgage Corp Ltd-0.28%	19.04.2022	8,000,000	7,997,792	0.22
The Hong Kong Mortgage Corp Ltd-0.33%	12.05.2022	83,000,000	82,979,416	2.30
The Hong Kong Mortgage Corp Ltd-0.34%	05.05.2022	3,000,000	2,999,478	0.08
The Hong Kong Mortgage Corp Ltd-0.435%	08.04.2022	8,500,000	8,501,649	0.24
The Link Finance (Cayman) 2009 Ltd-2.4%	10.02.2022	16,000,000	16,033,040	0.44
Toyota Finance Australia Ltd-2.13%	20.10.2022	10,000,000	10,103,020	0.28
Westpac Banking Corp-2.06%	22.09.2022	15,000,000	15,176,445	0.42
Wheelock MTN (BVI) Ltd-1.65%	26.11.2024	10,000,000	9,944,690	0.28

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Dollar Savings Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Total non-certificates of deposit</b>			<u>2,144,224,750</u>	<u>59.32</u>
<b>Total listed/quoted debt instruments</b>			<u>2,447,057,146</u>	<u>67.70</u>
<b>Total investments</b>			2,447,057,146	67.70
<b>Other net assets</b>			<u>1,167,615,665</u>	<u>32.30</u>
<b>Total net asset value</b>			<u>3,614,672,811</u>	<u>100.00</u>
<b>Total cost of investments</b>			<u>2,468,226,744</u>	

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



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>China</i>			
Alibaba Group Holding Ltd	5,517,800	656,066,420	5.03
Baidu Inc	1,565,750	226,407,450	1.74
Bank of China Ltd-H	52,515,000	147,567,150	1.13
Beijing Oriental Yuhong Waterpro of Technology Co Ltd-A	831,855	53,592,601	0.41
Bosideng International Holdings Ltd	21,992,000	107,980,720	0.83
BYD Co Ltd-H	814,500	217,145,700	1.66
China Construction Bank Corp-H	52,869,570	285,495,678	2.19
China Lesso Group Holdings Ltd	2,384,000	26,700,800	0.20
China Longyuan Power Group Corp Ltd-H	18,270,000	332,514,000	2.55
China Merchants Bank Co Ltd-H	6,225,500	376,954,025	2.89
China Merchants Port Holdings Co Ltd	11,680,000	165,856,000	1.27
China National Building Material Co Ltd-H	11,764,000	112,463,840	0.86
China New Higher Education Group Ltd	8,645,000	28,528,500	0.22
China Petroleum & Chemical Corp-H	28,700,000	104,181,000	0.80
China Resources Beer (Holdings) Co Ltd	1,484,000	94,753,400	0.73
China Resources Gas Group Ltd	3,364,000	148,184,200	1.14
China Resources Land Ltd	5,354,000	175,611,200	1.35
Chinasoft International Ltd	11,915,000	121,056,400	0.93
Daqo New Energy Corp-ADR	379,264	119,225,015	0.91
East Money Information Co Ltd-A	1,254,295	56,924,875	0.44
Far East Horizon Ltd	9,807,000	67,864,440	0.52
Fuyao Glass Industry Group Co Ltd-H	1,521,200	61,304,360	0.47
Ganfeng Lithium Co Ltd-H	811,600	99,583,320	0.76
Grand Pharmaceutical Group Ltd	10,829,000	69,955,340	0.54
Hua Hong Semiconductor Ltd	3,197,000	137,471,000	1.05
Hygeia Healthcare Holdings Co Ltd	805,400	39,303,520	0.30
I-Mab-ADR	320,020	118,241,266	0.91
JD.com Inc	1,225,100	335,677,400	2.57
JS Global Lifestyle Co Ltd	8,361,500	109,870,110	0.84
Kweichow Moutai Co Ltd-A	43,440	108,906,830	0.83
Lens Technology Co Ltd-A	2,373,819	66,712,784	0.51
Li Ning Co Ltd	1,976,500	168,694,275	1.29
Meituan	2,987,400	673,359,960	5.16
NARI Technology Co Ltd-A	3,029,363	148,302,457	1.14
NetEase Inc	1,473,700	232,107,750	1.78
Nine Dragons Paper (Holdings) Ltd	5,395,000	45,156,150	0.35
NIO Inc-ADR	200,296	49,472,367	0.38
Orient Securities Co Ltd-H	19,390,000	129,137,400	0.99
PetroChina Co Ltd-H	31,912,000	110,734,640	0.85
Pharmaron Beijing Co Ltd-H	1,461,700	175,842,510	1.35
Ping An Insurance (Group) Co of China Ltd-H	6,331,500	355,513,725	2.72
Postal Savings Bank of China Co Ltd-H	25,201,000	137,849,470	1.06
Shandong Head Group Co Ltd-A	663,394	49,951,914	0.38

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>China (continued)</i>			
Shenzhen Mindray Bio-Medical Electronics Co Ltd-A	125,574	58,480,100	0.45
Shenzhen Transsion Holdings Co Ltd-A	224,807	43,136,431	0.33
Shimao Services Holdings Ltd	8,587,172	46,542,472	0.36
SINOPEC Engineering (Group) Co Ltd-H	10,131,500	39,006,275	0.30
Sunac China Holdings Ltd	9,862,000	116,174,360	0.89
Sunac Services Holdings Ltd	10,788,025	85,764,799	0.66
Tencent Holdings Ltd	2,748,735	1,255,622,153	9.61
Tingyi (Cayman Islands) Holding Corp	5,376,000	86,123,520	0.66
Will Semiconductor Co Ltd Shanghai-A	204,363	77,669,909	0.60
Wingtech Technology Co Ltd-A	511,763	80,924,281	0.62
Wuliangye Yibin Co Ltd-A	89,911	24,483,104	0.19
Wuxi Biologics (Cayman) Inc	2,689,000	248,866,950	1.91
Xiaomi Corp	7,603,800	143,711,820	1.10
Yadea Group Holdings Ltd	2,502,000	38,030,400	0.29
Yifeng Pharmacy Chain Co Ltd-A	679,161	45,773,549	0.35
Zhejiang Expressway Co Ltd-H	5,438,000	37,794,100	0.29
Zhengzhou Coal Mining Machinery Group Co Ltd-A	6,769,494	95,951,349	0.74
Zhongsheng Group Holdings Ltd	2,240,500	136,222,400	1.04
		<u>9,708,499,934</u>	<u>74.42</u>
<i>Hong Kong</i>			
AIA Group Ltd	9,782,000	768,865,200	5.89
CK Hutchison Holdings Ltd	1,637,000	82,341,100	0.63
CLP Holdings Ltd	1,174,500	92,491,875	0.71
EC Healthcare	9,311,000	103,724,540	0.80
Hong Kong Exchanges and Clearing Ltd	1,198,600	545,842,440	4.18
HSBC Holdings Plc	14,422,800	676,429,320	5.18
Link REIT	748,800	51,405,120	0.39
New World Development Co Ltd	2,259,000	69,690,150	0.53
Pacific Basin Shipping Ltd	23,959,000	68,522,740	0.53
Sun Hung Kai Properties Ltd	2,896,859	274,042,861	2.10
Techtronic Industries Co Ltd	830,000	128,816,000	0.99
The Hong Kong and China Gas Co Ltd	10,510,000	127,591,400	0.98
		<u>2,989,762,746</u>	<u>22.91</u>
<i>Singapore</i>			
Yangzijiang Shipbuilding (Holdings) Ltd	7,379,100	<u>57,088,815</u>	<u>0.44</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Hong Kong Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Total listed shares</b>		<u>12,755,351,495</u>	<u>97.77</u>
<b>Delisted shares</b>			
<i>Hong Kong</i>			
Moulin Global Eyecare Holdings Ltd	514,000	<u>-</u>	<u>-</u>
<b>Total delisted shares</b>		<u>-</u>	<u>-</u>
<b>Total investments</b>		12,755,351,495	97.77
<b>Other net assets</b>		<u>291,267,186</u>	<u>2.23</u>
<b>Total net asset value</b>		<u>13,046,618,681</u>	<u>100.00</u>
<b>Total cost of investments</b>		<u>13,202,329,364</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments</b>				
<i>Non-certificates of deposit</i>				
<i>Denominated in Australian Dollar</i>				
Australia Government-3.25%	21.04.2029	12,475,000	78,923,532	1.31
<i>Denominated in British Pound</i>				
American International Group Inc-5%	26.04.2023	1,000,000	11,048,439	0.18
Anheuser-Busch InBev SA/NV-4%	24.09.2025	1,750,000	20,169,092	0.33
Apple Inc-3.05%	31.07.2029	1,750,000	20,722,594	0.34
BAT. International Finance Plc-6%	24.11.2034	1,500,000	19,402,781	0.32
BNG Bank NV-5.2%	07.12.2028	200,000	2,655,592	0.04
BNP Paribas-1.125%	16.08.2022	1,000,000	10,558,691	0.18
BPCE-5.25%	16.04.2029	1,700,000	21,373,560	0.35
Cooperatieve Rabobank U.A.-2.25%	23.03.2022	1,000,000	10,568,040	0.18
United Kingdom Gilt-1.5%	22.07.2026	1,000,000	10,890,159	0.18
United Kingdom Gilt-1.625%	22.10.2028	2,400,000	26,660,760	0.44
United Kingdom Gilt-1.75%	22.01.2049	2,600,000	31,203,871	0.52
United Kingdom Gilt-3.25%	22.01.2044	3,550,000	52,262,546	0.87
United Kingdom Gilt-4.25%	07.06.2032	1,100,000	15,306,823	0.25
United Kingdom Gilt-4.25%	07.03.2036	240,000	3,571,288	0.06
			256,394,236	4.24
<i>Denominated in Canadian Dollar</i>				
AT&T Inc-2.85%	25.05.2024	1,900,000	11,907,132	0.20
Canadian Government-1.25%	01.06.2030	2,000,000	12,154,247	0.20
Manulife Financial Corp-Floating	20.08.2029	1,800,000	11,348,984	0.19
Province of British Columbia-5.7%	18.06.2029	275,000	2,136,320	0.04
Province of Ontario-2.6%	02.06.2025	4,000,000	25,421,018	0.42
Province of Ontario-2.9%	02.12.2046	2,600,000	17,175,968	0.28
Province of Quebec Canada-3.5%	01.12.2045	750,000	5,473,461	0.09
Rogers Communications Inc-6.11%	25.08.2040	800,000	6,206,669	0.10
The Bell Telephone Co of Canada or Bell Canada-3.35%	22.03.2023	750,000	4,682,001	0.08
The Toronto-Dominion Bank-Floating	04.03.2031	1,750,000	11,828,486	0.20
TransCanada PipeLines Ltd-3.3%	17.07.2025	1,850,000	11,802,298	0.20
TransCanada PipeLines Ltd-3.69%	19.07.2023	500,000	3,147,996	0.05
Wells Fargo & Co-3.874%	21.05.2025	750,000	4,849,136	0.08
Winnipeg City of-5.9%	02.02.2029	125,000	963,632	0.02
			129,097,348	2.15

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in Czech Koruna</i>				
Czech Republic Government-2.4%	17.09.2025	6,000,000	2,054,694	0.03
<i>Denominated in Danish Krone</i>				
Denmark Government-0.5%	15.11.2027	6,250,000	7,718,448	0.13
Denmark Government-1.75%	15.11.2025	5,525,000	7,082,834	0.12
Denmark Government-4.5%	15.11.2039	500,000	1,051,472	0.02
			15,852,754	0.27
<i>Denominated in Euro</i>				
Anheuser-Busch InBev SA/NV-1.5%	18.04.2030	5,300,000	49,624,060	0.82
Apple Inc-1.375%	17.01.2024	800,000	7,301,152	0.12
AT&T Inc-1.95%	15.09.2023	1,200,000	10,897,401	0.18
AT&T Inc-3.15%	04.09.2036	1,000,000	10,469,345	0.17
Bank of America Corp-Floating	04.05.2027	2,000,000	18,630,790	0.31
BAT. International Finance Plc-0.875%	13.10.2023	1,700,000	15,169,389	0.25
Bundesrepublik Deutschland Bundesanleihe -1.25%	15.08.2048	4,500,000	51,385,273	0.85
Bundesrepublik Deutschland Bundesanleihe-2.5%	15.08.2046	375,000	5,285,516	0.09
Bundesrepublik Deutschland Bundesanleihe-4%	04.01.2037	630,000	9,010,160	0.15
Bundesrepublik Deutschland Bundesanleihe-4.75%	04.07.2034	2,250,000	32,272,956	0.54
Cooperatieve Rabobank U.A.-4.125%	14.07.2025	1,500,000	15,158,653	0.25
Electricite de France SA-4%	12.11.2025	250,000	2,526,160	0.04
Electricite de France SA-4.125%	25.03.2027	2,000,000	20,986,713	0.35
Electricite de France SA-4.625%	11.09.2024	700,000	6,930,083	0.11
French Republic Government OAT-1.75%	25.11.2024	6,500,000	61,077,882	1.01
French Republic Government OAT-2.5%	25.05.2030	9,100,000	97,067,856	1.61
French Republic Government OAT-4.5%	25.04.2041	1,000,000	15,075,396	0.25
Imperial Brands Finance Plc-3.375%	26.02.2026	1,500,000	14,579,491	0.24
Ireland Government-2%	18.02.2045	150,000	1,686,443	0.03
Italy Buoni Poliennali Del Tesoro-1.35%	01.04.2030	5,000,000	45,538,851	0.76
Italy Buoni Poliennali Del Tesoro-3.25%	01.09.2046	10,100,000	112,815,764	1.87
Italy Buoni Poliennali Del Tesoro-5%	01.08.2034	500,000	6,265,982	0.10
Kingdom of Belgium Government-0.8%	22.06.2025	4,000,000	36,853,171	0.61
Molson Coors Beverage Co-1.25%	15.07.2024	1,100,000	9,915,689	0.16
Nationwide Building Society-Floating	08.03.2026	2,200,000	20,137,044	0.33
Netherlands Government-2.5%	15.01.2033	150,000	1,685,613	0.03
Netherlands Government-2.75%	15.01.2047	150,000	2,150,605	0.04

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
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**Listed/quoted debt instruments (continued)**

*Non-certificates of deposit (continued)*

*Denominated in Euro (continued)*

Netherlands Government-5.5%	15.01.2028	1,125,000	13,455,957	0.22
Southern Power Co-1.85%	20.06.2026	2,000,000	18,696,302	0.31
Spain Government-2.7%	31.10.2048	2,000,000	23,144,938	0.38
Spain Government-5.15%	31.10.2044	950,000	15,075,379	0.25
Zimmer Biomet Holdings Inc-2.425%	13.12.2026	1,000,000	9,551,774	0.16
			<u>760,421,788</u>	<u>12.59</u>

*Denominated in Japanese Yen*

BNP Paribas-1.087%	02.03.2027	200,000,000	13,739,999	0.23
BPCE-0.64%	27.01.2022	100,000,000	6,772,547	0.11
BPCE-1.8%	13.07.2026	300,000,000	20,674,918	0.34
Citigroup Inc-2.24%	09.12.2022	100,000,000	6,882,871	0.11
Citigroup Inc-2.36%	16.09.2025	100,000,000	7,198,181	0.12
Citigroup Inc-2.4%	31.10.2025	290,000,000	20,754,027	0.34
Cooperatieve Rabobank U.A.-1.362%	02.11.2022	100,000,000	6,832,970	0.11
Corning Inc-0.698%	09.08.2024	400,000,000	26,677,142	0.44
Credit Agricole SA-0.443%	09.06.2022	400,000,000	27,109,797	0.45
Credit Agricole SA-0.839%	09.06.2027	400,000,000	27,251,957	0.45
General Electric Co-1.244%	20.09.2023	100,000,000	6,851,116	0.11
HSBC Holdings Plc-1.207%	25.09.2026	200,000,000	13,838,488	0.23
Japan Government 10 Year Bond-0.1%	20.06.2029	700,000,000	47,925,155	0.80
Japan Government 20 Year Bond-1.4%	20.09.2034	1,530,000,000	118,961,660	1.97
Japan Government 20 Year Bond-1.5%	20.03.2034	1,355,100,000	106,194,895	1.76
Japan Government 30 Year Bond-0.9%	20.09.2048	1,395,000,000	100,446,932	1.67
Japan Government 40 Year Bond-0.8%	20.03.2058	300,000,000	20,851,555	0.35
Lloyds Banking Group Plc-0.482%	14.12.2023	100,000,000	6,779,156	0.11
			<u>585,743,366</u>	<u>9.70</u>

*Denominated in New Zealand Dollar*

New Zealand Government-2.75%	15.04.2025	575,000	<u>3,120,960</u>	<u>0.05</u>
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# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

### Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
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### Listed/quoted debt instruments (continued)

#### *Non-certificates of deposit (continued)*

#### *Denominated in Norwegian Krone*

Norway Government-1.5%	19.02.2026	600,000	527,294	0.01
Norway Government-1.75%	06.09.2029	27,800,000	24,619,886	0.41
			<u>25,147,180</u>	<u>0.42</u>

#### *Denominated in Polish Zloty*

Republic of Poland Government -3.25%	25.07.2025	1,000,000	1,886,845	0.03
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#### *Denominated in Singapore Dollar*

Singapore Government-3%	01.09.2024	400,000	2,429,306	0.04
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#### *Denominated in Swedish Krona*

Sweden Government-1.5%	13.11.2023	5,700,000	5,052,696	0.08
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#### *Denominated in Swiss Franc*

Swiss Confederation Government-2.5%	08.03.2036	1,225,000	14,149,772	0.23
Swiss Confederation Government-3.5%	08.04.2033	125,000	1,496,707	0.02
			<u>15,646,479</u>	<u>0.25</u>

#### *Denominated in Thai Baht*

Thailand Government-5.67%	13.03.2028	10,000,000	2,919,492	0.05
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#### *Denominated in United States Dollar*

Abbott Laboratories-3.75%	30.11.2026	200,000	1,723,098	0.03
Abbott Laboratories-4.9%	30.11.2046	265,000	2,824,773	0.05
AbbVie Inc-4.875%	14.11.2048	45,000	453,362	0.01
Activision Blizzard Inc-2.5%	15.09.2050	3,000,000	20,484,459	0.34
Alphabet Inc-2.05%	15.08.2050	560,000	3,896,452	0.06
Altria Group Inc-5.8%	14.02.2039	110,000	1,030,851	0.02
American International Group Inc-3.9%	01.04.2026	1,080,000	9,125,994	0.15
American International Group Inc-4.5%	16.07.2044	2,155,000	20,692,100	0.34
Anheuser-Busch Cos Llc / Anheuser-Busch InBev Worldwide Inc-3.65%	01.02.2026	120,000	1,004,502	0.02
Anheuser-Busch Cos Llc / Anheuser-Busch InBev				

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Worldwide Inc-4.9%	01.02.2046	270,000	2,660,687	0.04
Anheuser-Busch InBev Worldwide Inc-5.45%	23.01.2039	3,270,000	33,366,579	0.55
Anheuser-Busch InBev Worldwide Inc-5.55%	23.01.2049	410,000	4,422,370	0.07
Apple Inc-2.75%	13.01.2025	575,000	4,683,446	0.08
Apple Inc-3%	09.02.2024	790,000	6,416,896	0.11
Apple Inc-3.2%	13.05.2025	60,000	497,748	0.01
Apple Inc-3.35%	09.02.2027	525,000	4,441,850	0.07
Apple Inc-4.25%	09.02.2047	320,000	3,115,751	0.05
Arch Capital Finance Llc-4.011%	15.12.2026	590,000	5,047,182	0.08
Arch Capital Finance Llc-5.031%	15.12.2046	115,000	1,159,450	0.02
AstraZeneca Plc-1.375%	06.08.2030	1,200,000	8,832,559	0.15
AT&T Inc-3.5%	15.09.2053	3,280,000	25,800,318	0.43
AT&T Inc-3.55%	15.09.2055	445,000	3,482,078	0.06
AT&T Inc-3.65%	15.09.2059	222,000	1,747,962	0.03
AT&T Inc-4.05%	15.12.2023	105,000	866,149	0.01
AT&T Inc-4.3%	15.02.2030	5,303,000	46,533,799	0.77
Baidu Inc-3.875%	29.09.2023	1,900,000	15,438,997	0.26
Baidu Inc-4.875%	14.11.2028	1,800,000	16,073,985	0.27
Bank of America Corp-4.25%	22.10.2026	670,000	5,763,865	0.10
Bank of America Corp-Floating	15.03.2025	410,000	3,343,046	0.06
Bank of America Corp-Floating	23.07.2029	555,000	4,824,480	0.08
Bank of America Corp-Floating	07.02.2030	1,115,000	9,575,874	0.16
Bank of America Corp-Floating	22.04.2032	13,500,000	106,814,595	1.77
BAT Capital Corp-3.222%	15.08.2024	190,000	1,539,636	0.03
BAT Capital Corp-4.54%	15.08.2047	125,000	1,019,232	0.02
Becton Dickinson and Co-3.363%	06.06.2024	112,000	914,215	0.02
Becton Dickinson and Co-3.7%	06.06.2027	180,000	1,529,374	0.03
Becton Dickinson and Co-4.685%	15.12.2044	412,000	4,044,429	0.07
Boston Scientific Corp-4%	01.03.2029	470,000	4,069,227	0.07
Boston Scientific Corp-4.7%	01.03.2049	200,000	1,974,993	0.03
BP Capital Markets America Inc-3%	24.02.2050	600,000	4,605,068	0.08
BP Capital Markets America Inc-3.41%	11.02.2026	210,000	1,746,405	0.03
BP Capital Markets America Inc-4.234%	06.11.2028	100,000	880,030	0.01
Bristol-Myers Squibb Co-2.9%	26.07.2024	118,000	962,714	0.02
Bristol-Myers Squibb Co-3.4%	26.07.2029	375,000	3,201,490	0.05
Bristol-Myers Squibb Co-4.125%	15.06.2039	270,000	2,490,003	0.04
Bristol-Myers Squibb Co-4.25%	26.10.2049	340,000	3,275,820	0.05
Brookfield Finance Inc-3.9%	25.01.2028	520,000	4,447,468	0.07
Brookfield Finance Inc-4%	01.04.2024	775,000	6,368,749	0.11



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>* Portfolio Maturity</i>	<i>Fair holdings</i>	<i>% of value HK\$/HK\$ equivalent</i>	<i>NAV</i>
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**Listed/quoted debt instruments (continued)**

*Non-certificates of deposit (continued)*

*Denominated in United States Dollar (continued)*

Brookfield Finance Inc-4.7%	20.09.2047	400,000	3,829,709	0.06
Burlington Northern Santa Fe Llc-5.4%	01.06.2041	1,080,000	11,366,887	0.19
Canadian Natural Resources Ltd-3.85%	01.06.2027	115,000	960,578	0.02
Chile Government-3.24%	06.02.2028	9,000,000	73,941,705	1.23
Cigna Corp-3.75%	15.07.2023	159,000	1,289,134	0.02
Cigna Corp-4.125%	15.11.2025	405,000	3,453,230	0.06
Cigna Corp-4.375%	15.10.2028	200,000	1,772,169	0.03
Cigna Corp-4.9%	15.12.2048	450,000	4,533,382	0.08
Citigroup Inc-4.65%	23.07.2048	225,000	2,252,513	0.04
Citigroup Inc-Floating	24.07.2028	200,000	1,681,792	0.03
Citigroup Inc-Floating	27.10.2028	260,000	2,174,451	0.04
CMS Energy Corp-3%	15.05.2026	155,000	1,260,089	0.02
CMS Energy Corp-4.875%	01.03.2044	375,000	3,679,230	0.06
Colombia Government-4%	26.02.2024	14,200,000	114,255,599	1.90
Comcast Corp-2.887%	01.11.2051	745,000	5,622,515	0.09
Comcast Corp-2.937%	01.11.2056	332,000	2,465,604	0.04
Comcast Corp-3.15%	01.03.2026	450,000	3,740,780	0.06
Comcast Corp-3.95%	15.10.2025	115,000	978,855	0.02
Comcast Corp-4.15%	15.10.2028	890,000	7,877,338	0.13
Comcast Corp-4.2%	15.08.2034	230,000	2,108,970	0.03
Constellation Brands Inc-4.4%	15.11.2025	1,250,000	10,682,394	0.18
Constellation Brands Inc-5.25%	15.11.2048	150,000	1,532,732	0.03
CSX Corp-4.75%	15.11.2048	300,000	3,009,470	0.05
CVS Health Corp-4.78%	25.03.2038	7,655,000	72,649,037	1.21
CVS Health Corp-4.875%	20.07.2035	65,000	619,613	0.01
CVS Health Corp-5.05%	25.03.2048	2,400,000	24,464,570	0.41
Dominion Energy Inc-4.25%	01.06.2028	635,000	5,517,559	0.09
DTE Energy Co-3.4%	15.06.2029	355,000	2,920,968	0.05
Duke Energy Corp-2.65%	01.09.2026	1,200,000	9,686,221	0.16
DuPont de Nemours Inc-5.319%	15.11.2038	445,000	4,470,538	0.07
DuPont de Nemours Inc-5.419%	15.11.2048	230,000	2,509,297	0.04
eBay Inc-3.65%	10.05.2051	6,000,000	50,871,083	0.84
Eli Lilly and Co-3.375%	15.03.2029	43,000	369,550	0.01
Enterprise Products Operating Llc-3.125%	31.07.2029	345,000	2,856,333	0.05
Enterprise Products Operating Llc-4.2%	31.01.2050	2,230,000	19,490,035	0.32
Exelon Corp-3.497%	01.06.2022	100,000	786,866	0.01
Exxon Mobil Corp-2.61%	15.10.2030	400,000	3,232,171	0.05
Exxon Mobil Corp-4.227%	19.03.2040	700,000	6,442,758	0.11
First Republic Bank-2.5%	06.06.2022	750,000	5,884,195	0.10
First Republic Bank-4.625%	13.02.2047	250,000	2,414,363	0.04

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Fox Corp-5.476%	25.01.2039	240,000	2,413,195	0.04
General Mills Inc-3%	01.02.2051	345,000	2,697,143	0.04
GNMA AE2153-3.5%	20.05.2043	200,904	1,683,926	0.03
GNMA AE9880-3%	15.05.2043	658,368	5,407,127	0.09
GNMA AV5049-3.5%	20.10.2046	1,674,712	13,804,130	0.23
GNMA AV7468-3.5%	20.09.2046	1,108,132	9,071,938	0.15
HSBC Holdings Plc-Floating	11.03.2025	1,500,000	12,272,300	0.20
International Paper Co-4.35%	15.08.2048	101,000	964,532	0.02
Johnson & Johnson-3.7%	01.03.2046	325,000	2,976,663	0.05
JPMorgan Chase & Co-5.5%	15.10.2040	250,000	2,651,419	0.04
JPMorgan Chase & Co-Floating	01.04.2023	705,000	5,529,352	0.09
JPMorgan Chase & Co-Floating	06.05.2030	1,225,000	10,437,649	0.17
JPMorgan Chase & Co-Floating	15.11.2048	315,000	2,880,392	0.05
Kinder Morgan Energy Partners LP-4.7%	01.11.2042	410,000	3,605,624	0.06
Kinder Morgan Inc-5.55%	01.06.2045	350,000	3,450,094	0.06
Lam Research Corp-4.875%	15.03.2049	290,000	3,069,080	0.05
Lloyds Banking Group Plc-Floating	07.11.2023	1,100,000	8,714,466	0.14
Lockheed Martin Corp-2.9%	01.03.2025	290,000	2,368,014	0.04
Lockheed Martin Corp-4.09%	15.09.2052	530,000	5,105,401	0.08
Lowe's Cos Inc-3%	15.10.2050	1,000,000	7,688,999	0.13
Markel Corp-3.5%	01.11.2027	310,000	2,586,456	0.04
Markel Corp-5%	05.04.2046	410,000	4,050,295	0.07
Markel Corp-5%	20.05.2049	150,000	1,487,533	0.02
McCormick & Co Inc-3.15%	15.08.2024	410,000	3,337,426	0.06
Medtronic Inc-4.625%	15.03.2045	11,000	112,318	0.00
Mexico Government-4.125%	21.01.2026	4,500,000	38,505,808	0.64
Microsoft Corp-2.4%	08.08.2026	425,000	3,467,556	0.06
Microsoft Corp-2.675%	01.06.2060	210,000	1,631,873	0.03
Microsoft Corp-2.921%	17.03.2052	545,000	4,511,400	0.07
Morgan Stanley-5%	24.11.2025	985,000	8,596,893	0.14
Morgan Stanley-6.375%	24.07.2042	1,405,000	16,595,176	0.28
Morgan Stanley-Floating	28.04.2026	1,000,000	7,949,546	0.13
Morgan Stanley-Floating	10.12.2026	17,500,000	132,338,550	2.20
Morgan Stanley-Floating	24.03.2051	225,000	2,620,355	0.04
MPLX LP-3.5%	01.12.2022	190,000	1,512,708	0.03
MPLX LP-4%	15.03.2028	230,000	1,943,239	0.03
MPLX LP-4.25%	01.12.2027	110,000	949,914	0.02
MPLX LP-4.5%	15.07.2023	280,000	2,272,634	0.04
MPLX LP-5.5%	15.02.2049	635,000	6,322,219	0.10
NBCUniversal Media Llc-4.45%	15.01.2043	92,000	869,200	0.01
NextEra Energy Capital Holdings Inc-3.5%	01.04.2029	1,050,000	8,781,092	0.15
Nutrien Ltd-4.2%	01.04.2029	565,000	4,969,118	0.08

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
NVIDIA Corp-3.5%	01.04.2040	3,000,000	26,285,620	0.44
Oracle Corp-6.125%	08.07.2039	420,000	4,340,236	0.07
Parker-Hannifin Corp-2.7%	14.06.2024	85,000	684,670	0.01
Parker-Hannifin Corp-3.25%	14.06.2029	500,000	4,131,332	0.07
Parker-Hannifin Corp-4%	14.06.2049	385,000	3,508,418	0.06
PartnerRe Finance B Llc-3.7%	02.07.2029	255,000	2,162,673	0.04
Philip Morris International Inc-4.375%	15.11.2041	630,000	5,575,892	0.09
Philip Morris International Inc-6.375%	16.05.2038	500,000	5,470,141	0.09
Province of Quebec Canada-1.35%	28.05.2030	8,300,000	62,613,305	1.04
Prudential Financial Inc-3.7%	13.03.2051	500,000	4,435,829	0.07
Public Service Enterprise Group Inc-2.875%	15.06.2024	190,000	1,533,792	0.03
Qatar Government-3.4%	16.04.2025	7,000,000	57,888,319	0.96
Raytheon Technologies Corp-3.5%	15.03.2027	365,000	3,048,218	0.05
Raytheon Technologies Corp-3.95%	16.08.2025	955,000	8,073,586	0.13
Raytheon Technologies Corp-4.125%	16.11.2028	815,000	7,107,478	0.12
Raytheon Technologies Corp-4.45%	16.11.2038	140,000	1,315,503	0.02
Raytheon Technologies Corp-4.625%	16.11.2048	100,000	998,760	0.02
Reynolds American Inc-5.85%	15.08.2045	300,000	2,841,959	0.05
Rogers Communications Inc-4.35%	01.05.2049	630,000	5,691,979	0.09
Royal Bank of Canada-3.7%	05.10.2023	455,000	3,721,001	0.06
Saudi Government-3.25%	26.10.2026	12,000,000	99,643,539	1.65
Suncor Energy Inc-4%	15.11.2047	225,000	1,949,657	0.03
Teck Resources Ltd-5.4%	01.02.2043	165,000	1,568,662	0.03
Teck Resources Ltd-6.125%	01.10.2035	180,000	1,819,348	0.03
Teck Resources Ltd-6.25%	15.07.2041	200,000	2,068,109	0.03
Telefonica Emisiones SAU-5.213%	08.03.2047	460,000	4,452,625	0.07
TELUS Corp-4.3%	15.06.2049	250,000	2,360,616	0.04
Tencent Holdings Ltd-3.575%	11.04.2026	5,000,000	41,504,380	0.69
The Bell Telephone Co of Canada or Bell Canada -4.3%	29.07.2049	195,000	1,846,189	0.03
The Boeing Co-2.196%	04.02.2026	16,000,000	124,715,908	2.07
The Goldman Sachs Group Inc-3.625%	20.02.2024	575,000	4,702,970	0.08
The Goldman Sachs Group Inc-5.75%	24.01.2022	305,000	2,385,116	0.04
The Goldman Sachs Group Inc-6.75%	01.10.2037	355,000	3,924,451	0.07
The Home Depot Inc-5.875%	16.12.2036	130,000	1,435,613	0.02
The Walt Disney Co-3%	15.09.2022	250,000	1,983,168	0.03
The Walt Disney Co-4.75%	15.09.2044	210,000	2,095,683	0.03
The Walt Disney Co-6.2%	15.12.2034	20,000	217,754	0.00
The Williams Cos Inc-5.75%	24.06.2044	305,000	3,086,432	0.05
Trane Technologies Luxembourg Finance SA -3.8%	21.03.2029	520,000	4,428,490	0.07
Truist Bank-4.05%	03.11.2025	340,000	2,892,744	0.05

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>* Portfolio Maturity</i>	<i>Fair holdings</i>	<i>% of value HK\$/HK\$ equivalent</i>	<i>NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Non-certificates of deposit (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
TWDC Enterprises 18 Corp-3.15%	17.09.2025	995,000	8,238,341	0.14
Union Pacific Corp-3.5%	08.06.2023	250,000	2,015,986	0.03
United States Treasury Note/Bond-1.125%	15.05.2040	10,100,000	69,019,309	1.15
United States Treasury Note/Bond-1.25%	31.07.2023	41,500,000	326,794,481	5.43
United States Treasury Note/Bond-1.375%	15.11.2031	25,325,000	194,949,977	3.24
United States Treasury Note/Bond-1.5%	28.02.2023	23,500,000	185,388,689	3.08
United States Treasury Note/Bond-1.625%	30.04.2023	23,200,000	183,488,336	3.04
United States Treasury Note/Bond-1.625%	15.08.2029	6,800,000	53,785,199	0.89
United States Treasury Note/Bond-1.75%	28.02.2022	25,250,000	197,380,126	3.28
United States Treasury Note/Bond-2%	15.08.2025	34,500,000	277,409,383	4.61
United States Treasury Note/Bond-2.25%	15.08.2027	23,800,000	194,648,501	3.24
United States Treasury Note/Bond-2.625%	15.02.2029	6,000,000	50,571,319	0.84
United States Treasury Note/Bond-2.75%	15.08.2047	6,520,000	59,153,906	0.98
United States Treasury Note/Bond-5%	15.05.2037	6,500,000	73,766,040	1.22
Unitedhealth Group Inc-3.875%	15.12.2028	825,000	7,208,966	0.12
US Bancorp-2.375%	22.07.2026	1,120,000	9,067,255	0.15
Vale Overseas Ltd-6.25%	10.08.2026	2,800,000	25,268,998	0.42
Verizon Communications Inc-2.1%	22.03.2028	800,000	6,249,162	0.10
Verizon Communications Inc-2.65%	20.11.2040	2,800,000	20,743,693	0.34
Verizon Communications Inc-2.987%	30.10.2056	1,435,000	10,590,597	0.18
Verizon Communications Inc-4.5%	10.08.2033	2,620,000	24,015,131	0.40
Virginia Electric and Power Co-2.45%	15.12.2050	500,000	3,591,262	0.06
Vodafone Group Plc-4.125%	30.05.2025	420,000	3,538,011	0.06
Vodafone Group Plc-5.25%	30.05.2048	300,000	3,046,510	0.05
W.W. Grainger Inc-4.6%	15.06.2045	600,000	5,985,833	0.10
Waste Connections Inc-4.25%	01.12.2028	710,000	6,215,201	0.10
Wells Fargo & Co-4.9%	17.11.2045	8,070,000	79,122,732	1.31
Xilinx Inc-2.95%	01.06.2024	1,155,000	9,318,467	0.15
XLIT Ltd-4.45%	31.03.2025	975,000	8,240,013	0.14
XLIT Ltd-5.5%	31.03.2045	620,000	6,615,800	0.11
Zoetis Inc-3.9%	20.08.2028	395,000	3,417,021	0.06
Zoetis Inc-4.45%	20.08.2048	115,000	1,145,342	0.02
			<u>3,891,570,898</u>	<u>64.62</u>
<b>Total non-certificates of deposit</b>			<u>5,776,261,574</u>	<u>95.83</u>
<b>Total listed/quoted debt instruments</b>			<u>5,776,261,574</u>	<u>95.83</u>
<b>Forward contracts</b>				

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Bond Fund (continued)

<i>Investments</i>	<i>Counterparties</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<i>Denominated in United States Dollar</i>					
Buy USD Sell CAD FWD Rate 1.281688	Goldman Sachs	07.03.2022	3,901,105	(441,295)	(0.01)
Buy USD Sell EUR FWD Rate 1.137169	Goldman Sachs	07.03.2022	9,438,503	(100,664)	0.00
Buy USD Sell GBP FWD Rate 1.332239	Barclays Bank PLC	07.03.2022	10,657,912	<u>(1,360,449)</u>	<u>(0.02)</u>
<b>Total forward contracts</b>				<u>(1,902,408)</u>	<u>(0.03)</u>
<b>Total investments</b>				5,774,359,166	95.80
<b>Other net assets</b>				<u>253,352,048</u>	<u>4.20</u>
<b>Total net asset value</b>				<u>6,027,711,214</u>	<u>100.00</u>
<b>Total cost of investments</b>				<u>5,766,844,839</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>Australia</i>			
Allkem Ltd	20,329	1,196,387	0.03
Downer EDI Ltd	34,978	1,179,678	0.03
IGO Ltd	5,390	349,844	0.01
Lynas Rare Earths Ltd	11,832	680,928	0.02
Mirvac Group	100,723	1,658,608	0.04
Nine Entertainment Co Holdings Ltd	70,242	1,156,677	0.03
OZ Minerals Ltd	2,358	376,550	0.01
Piedmont Lithium Inc	2,500	1,022,524	0.02
Reliance Worldwide Corp Ltd	30,196	1,071,369	0.02
Seven Group Holdings Ltd	9,505	1,161,791	0.03
		<hr/>	<hr/>
		9,854,356	0.24
<i>Austria</i>			
BAWAG Group AG	77,178	<hr/> 36,872,877	<hr/> 0.84
<i>Brazil</i>			
Notre Dame Intermedica Participacoes SA	12,900	1,089,686	0.02
Odontoprev SA	43,500	767,175	0.02
Sendas Distribuidora SA	75,000	1,360,507	0.03
Vamos Locacao de Caminhoes Maquinas e Equipamentos SA	82,986	<hr/> 1,391,541	<hr/> 0.03
		<hr/>	<hr/>
		4,608,909	0.10
<i>Canada</i>			
Alimentation Couche-Tard Inc	146,900	47,665,480	1.08
Boralex Inc-A	4,500	955,428	0.02
Brookfield Asset Management Inc-A	97,100	45,411,102	1.03
BRP Inc	1,300	881,839	0.02
CAE Inc	5,400	1,054,938	0.02
Capital Power Corp	4,700	1,135,432	0.03
Empire Co Ltd	5,300	1,250,529	0.03
Franco-Nevada Corp	32,600	34,915,079	0.79
Interfor Corp	3,900	967,238	0.02
Northland Power Inc	156,000	36,244,548	0.82
Open Text Corp	4,100	1,507,061	0.03
Parex Resources Inc	9,300	1,230,393	0.03
Shopify Inc	4,200	44,784,368	1.02
SSR Mining Inc	10,000	1,370,757	0.03

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Canada (continued)</i>			
TFI International Inc	2,000	1,737,108	0.04
Toromont Industries Ltd	1,750	1,225,232	0.03
Tourmaline Oil Corp	7,000	1,750,210	0.04
		<u>224,086,742</u>	<u>5.08</u>
<i>China</i>			
Bosideng International Holdings Ltd	166,000	815,060	0.02
China Lesso Group Holdings Ltd	54,000	604,800	0.01
China Meidong Auto Holdings Ltd	20,000	804,000	0.02
China Resources Cement Holdings Ltd	106,000	624,340	0.01
I-Mab-ADR	1,536	567,523	0.01
Sunac China Holdings Ltd	61,000	718,580	0.02
Yadea Group Holdings Ltd	38,000	577,600	0.01
		<u>4,711,903</u>	<u>0.10</u>
<i>Denmark</i>			
ROCKWOOL International A/S-B	459	1,555,918	0.04
Royal Unibrew A/S	1,242	1,085,213	0.02
		<u>2,641,131</u>	<u>0.06</u>
<i>Finland</i>			
QT Group Oyj	467	549,968	0.01
Sampo Oyj-A	101,420	39,389,668	0.89
		<u>39,939,636</u>	<u>0.90</u>
<i>France</i>			
APERAM SA	1,688	708,857	0.02
Arkema SA	1,478	1,613,558	0.04
AXA SA	160,781	37,110,903	0.84
Compagnie de Saint-Gobain SA	80,394	43,844,788	0.99
Criteo SA-ADR	2,532	767,332	0.02
Euronext NV	1,735	1,395,554	0.03
Faurecia	3,046	1,123,135	0.03
LVMH Moët Hennessy-Louis Vuitton SE	6,885	44,121,734	1.00

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>France(continued)</i>			
SCOR SE	4,764	1,152,312	0.03
Teleperformance SE	648	2,239,109	0.05
TotalEnergies SE	90,000	35,406,550	0.80
		<u>169,483,832</u>	<u>3.85</u>
<i>Germany</i>			
AUTO1 Group SE	1,606	275,205	0.01
Carl Zeiss Meditec AG	840	1,368,715	0.03
Evotec SE	3,000	1,123,892	0.03
flatexDEGIRO AG	3,844	685,817	0.02
HelloFresh SE	2,194	1,306,207	0.03
KION Group AG	2,346	1,995,168	0.05
PUMA SE	1,548	1,466,877	0.03
Rheinmetall AG	1,720	1,259,316	0.03
Scout24 SE	2,183	1,181,892	0.03
Stroeer SE & Co KGaA	1,210	739,150	0.02
TAG Immobilien AG	5,520	1,197,471	0.03
		<u>12,599,710</u>	<u>0.31</u>
<i>Hong Kong</i>			
Hysan Development Co Ltd	89,000	2,144,900	0.05
Swire Pacific Ltd	26,000	1,153,100	0.03
		<u>3,298,000</u>	<u>0.08</u>
<i>India</i>			
Amber Enterprises India Ltd	7,106	2,474,408	0.06
APL Apollo Tubes Ltd	4,207	441,663	0.01
Astral Ltd	1,257	301,174	0.01
Caplin Point Laboratories Ltd	7,355	662,791	0.02
ICICI Bank Ltd-ADR	377,485	58,243,939	1.32
ICICI Lombard General Insurance Co Ltd	5,745	845,300	0.02
Navin Fluorine International Ltd	5,841	2,568,923	0.06
Pidilite Industries Ltd	2,471	639,009	0.01
Voltas Ltd	10,540	1,349,283	0.03
WNS (Holdings) Ltd-ADR	2,775	1,908,689	0.04



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>India(continued)</i>			
		69,435,179	1.58
<i>Indonesia</i>			
PT AKR Corporindo Tbk	648,400	1,456,727	0.03
<i>Ireland</i>			
Bank of Ireland Group Plc	24,080	1,058,335	0.02
CRH Plc	74,713	30,637,273	0.69
ICON Plc	19,028	45,945,141	1.04
		77,640,749	1.75
<i>Israel</i>			
Bezeq-The Israel Telecommunication Corp Ltd	93,475	1,206,895	0.03
CyberArk Software Ltd	979	1,322,624	0.03
		2,529,519	0.06
<i>Italy</i>			
Banca Mediolanum Spa	15,453	1,182,352	0.03
BPER Banca Spa	81,691	1,312,729	0.03
Buzzi Unicem Spa-Senza Vincoli Di Rappresentazione Grafica	5,373	898,696	0.02
ERG Spa	2,852	714,979	0.02
Ferrari N V	23,832	47,792,100	1.08
Hera Spa	35,910	1,158,856	0.03
MEDIOBANCA-Banca di Credito finanziario Spa	16,798	1,497,004	0.03
Moncler Spa	2,674	1,509,007	0.03
Prysmian Spa	5,975	1,743,859	0.04
		57,809,582	1.31
<i>Japan</i>			
Amada Co Ltd	15,700	1,210,779	0.03
Anritsu Corp	6,300	758,000	0.02
BayCurrent Consulting Inc	300	903,905	0.02
COSMOS Pharmaceutical Corp	1,000	1,146,300	0.03
DAIWA HOUSE INDUSTRY Co Ltd	118,200	26,474,289	0.60

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Japan(continued)</i>			
Denka Co Ltd	3,200	814,665	0.02
EBARA Corp	135,500	58,624,815	1.33
EXEO Group Inc	6,000	984,748	0.02
Fukuoka Financial Group Inc	5,500	733,991	0.02
GLP J-Reit	121	1,629,527	0.04
Hoya Corp	43,300	50,162,508	1.14
Japan Hotel REIT Investment Corp	304	1,156,781	0.03
JSR Corp	128,100	37,946,220	0.86
Kamigumi Co Ltd	6,500	958,545	0.02
Mitsui Fudosan Logistics Park Inc	34	1,484,841	0.03
Morinaga Milk Industry Co Ltd	3,200	1,182,998	0.03
Net One Systems Co Ltd	4,000	839,582	0.02
Nintendo Co Ltd	9,200	33,419,418	0.76
Nippon Express Co Ltd	1,800	842,155	0.02
Nippon Shinyaku Co Ltd	1,700	921,983	0.02
PENTA-OCEAN CONSTRUCTION Co Ltd	9,100	400,494	0.01
Persol Holdings Co Ltd	5,200	1,175,956	0.03
Ryohin Keikaku Co Ltd	8,200	973,834	0.02
Sankyu Inc	2,700	872,014	0.02
Sega Sammy Holdings Inc	7,500	917,616	0.02
Seria Co Ltd	3,300	745,163	0.02
Shimano Inc	21,000	43,594,608	0.99
Sony Group Corp	56,400	55,276,306	1.25
Sumitomo Bakelite Co Ltd	3,400	1,342,112	0.03
Sumitomo Forestry Co Ltd	6,300	949,526	0.02
The Chiba Bank Ltd	15,600	696,067	0.02
TIS Inc	7,000	1,623,304	0.04
Tokyo Ohka Kogyo Co Ltd	2,900	1,335,206	0.03
Tokyu Fudosan Holdings Corp	29,700	1,293,030	0.03
Toyo Suisan Kaisha Ltd	2,200	726,171	0.02
Toyoda Gosei Co Ltd	5,000	847,030	0.02
Toyota Industries Corp	58,400	36,338,725	0.82
Toyota Motor Corp	357,500	50,965,070	1.16
ULVAC Inc	3,400	1,657,497	0.04
ZENKOKU HOSHO Co Ltd	2,900	983,733	0.02
		<hr/>	<hr/>
		424,909,512	9.67
<i>Malaysia</i>			
CIMB Group Holdings Bhd	99,300	<hr/> 1,012,017	<hr/> 0.02

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Mexico</i>			
Arca Continental SAB de CV	27,400	1,362,691	0.03
Grupo Aeroportuario del Pacifico SAB de CV-B	13,100	1,408,434	0.03
Qualitas Controladora SAB de CV	36,200	1,433,020	0.03
Wal-Mart de Mexico SAB de CV	1,116,400	32,368,108	0.73
		<hr/>	<hr/>
		36,572,253	0.82
<i>Netherlands</i>			
ASM International NV	605	2,072,928	0.05
ASML Holding NV	9,309	57,989,897	1.32
ASR Nederland NV	4,604	1,643,632	0.04
Constellium SE	10,402	1,452,505	0.03
PostNL NV	929,515	31,356,609	0.71
Signify NV	3,681	1,323,205	0.03
		<hr/>	<hr/>
		95,838,776	2.18
<i>Poland</i>			
"Dino Polska" Spolka Akcyjna	2,562	1,807,800	0.04
<i>Russia</i>			
TCS Group Holding Plc-GDR	1,693	1,112,994	0.03
<i>Singapore</i>			
AEM Holdings Ltd	44,300	1,345,341	0.03
ComfortDelGro Corp Ltd	81,600	659,570	0.01
Frasers Logistics & Commercial Trust	172,300	1,512,069	0.03
Frencken Group Ltd	181,500	2,064,361	0.05
Keppel DC REIT	97,700	1,393,267	0.03
Mapletree Industrial Trust	90,945	1,422,954	0.03
Yangzijiang Shipbuilding (Holdings) Ltd	120,600	933,029	0.02
		<hr/>	<hr/>
		9,330,591	0.20
<i>South Korea</i>			
Ecopro BM Co Ltd	276	905,537	0.02
Hana Materials Inc	2,446	1,006,350	0.02
Hansol Chemical Co Ltd	349	698,505	0.02
KoMiCo Ltd	1,479	650,165	0.01

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>South Korea(continued)</i>			
Osstem Implant.Co Ltd	1,992	1,862,285	0.04
PSK Inc	2,543	879,656	0.02
		<hr/>	<hr/>
		6,002,498	0.13
<i>Spain</i>			
Iberdrola S.A	327,006	30,006,868	0.68
<i>Sweden</i>			
Husqvarna AB-B	13,030	1,621,910	0.04
Lundin Energy AB	4,500	1,254,848	0.03
Samhallsbyggnadsbolaget i Norden AB	18,386	1,049,422	0.02
Trelleborg AB-B	6,902	1,410,427	0.03
		<hr/>	<hr/>
		5,336,607	0.12
<i>Switzerland</i>			
ADC Therapeutics SA	2,500	393,728	0.01
Logitech International SA	43,112	28,254,369	0.64
Lonza Group AG	6,758	43,875,209	0.99
Nestle SA	46,905	50,956,428	1.16
SIG Combibloc Group AG	6,271	1,361,035	0.03
Tecan Group AG	5,087	24,089,061	0.55
VAT Group AG	516	1,998,767	0.05
Zur Rose Group AG	363	728,738	0.02
		<hr/>	<hr/>
		151,657,335	3.45
<i>Taiwan</i>			
Accton Technology Corp	4,000	293,031	0.01
Aspeed Technology Inc	1,000	1,004,477	0.02
Delta Electronics Inc	569,000	44,088,504	1.00
Eclat Textile Co Ltd	10,000	1,777,910	0.04
Elite Material Co Ltd	21,000	1,644,919	0.04
eMemory Technology InCorp	1,000	617,056	0.01
Feng Tay Enterprises Co Ltd	11,000	717,504	0.02
Lotes Co Ltd	3,000	643,260	0.01
Parade Technologies Ltd	1,000	595,924	0.01

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>Taiwan(continued)</i>			
Taiwan Semiconductor Manufacturing Co Ltd	473,000	81,962,776	1.86
		133,345,361	3.02
<i>Thailand</i>			
Bangkok Bank Plc	52,100	1,477,590	0.03
<i>The Philippines</i>			
BDO Unibank Inc	100,320	1,851,826	0.04
Wilcon Depot Inc	98,300	458,521	0.01
		2,310,347	0.05
<i>United Kingdom</i>			
3i Group Plc	379,987	57,968,055	1.31
Anglo American Plc	95,264	30,249,051	0.69
AstraZeneca Plc	47,914	43,775,758	0.99
B&M European Value Retail SA	23,575	1,573,594	0.04
CVS Group Plc	3,434	809,841	0.02
Dechra Pharmaceuticals PLC	2,607	1,461,545	0.03
DS Smith Plc	40,247	1,626,260	0.04
Entain Plc	9,067	1,606,569	0.04
Future Plc	3,753	1,513,314	0.03
Halma Plc	5,420	1,826,000	0.04
Hikma Pharmaceuticals Plc	4,971	1,161,322	0.03
IG Group Holdings Plc	14,888	1,274,320	0.03
IMI Plc	6,216	1,136,089	0.03
Intermediate Capital Group Plc	7,286	1,682,974	0.04
ITV Plc	88,447	1,029,422	0.02
J Sainsbury Plc	42,860	1,244,509	0.03
JD Sports Fashion Plc	66,040	1,514,316	0.03
Legal & General Group Plc	1,075,743	33,693,576	0.76
Redrow Plc	13,894	1,025,116	0.02

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United Kingdom(continued)</i>			
Rentokil Initial Plc	24,832	1,526,779	0.03
St. James's Place Plc	9,484	1,680,956	0.04
Taylor Wimpey Plc	2,075,071	38,340,845	0.87
Weir Group Plc(The)	4,501	811,031	0.02
Whitbread Plc	2,429	765,907	0.02
		<hr/>	<hr/>
		229,297,149	5.20
<i>United States</i>			
ABM Industries Inc	80,000	25,479,288	0.58
Accolade Inc	4,000	822,073	0.02
Adaptive Biotechnologies Corp	2,900	634,441	0.01
Addus HomeCare Corp	3,200	2,332,992	0.05
Adobe Inc	12,646	55,909,735	1.27
Advanced Energy Industries Inc	4,700	3,336,804	0.08
Agilent Technologies Inc	30,591	38,077,449	0.86
Agree Realty Corp	5,000	2,781,827	0.06
Alaska Air Group Inc	4,000	1,624,811	0.04
Alcoa Corp	3,200	1,486,469	0.03
Allbirds Inc-A	12,000	1,410,873	0.03
Allegro Microsystems Inc	11,200	3,159,307	0.07
Alphabet Inc-A	6,205	140,152,717	3.18
Amazon.com Inc	1,836	47,729,601	1.08
Amedisys Inc	24,147	30,476,257	0.69
Ameriprise Financial Inc	17,874	42,038,259	0.95
Ameris Bancorp	5,200	2,014,142	0.05
AMETEK Inc	31,923	36,596,911	0.83
AMN Healthcare Services Inc	2,100	2,002,892	0.05
Apple Inc	90,507	125,301,713	2.84
Array Technologies Inc	9,000	1,100,958	0.02
Athene Holding Ltd-A	6,600	4,287,958	0.10
Atlas Air Worldwide Holdings Inc	3,400	2,494,974	0.06
AvidXchange Holdings Inc	5,100	598,826	0.01
Bentley Systems Inc-B	1,700	640,576	0.01
BigCommerce Holdings Inc	1,800	496,378	0.01
BJ's Wholesale Club Holdings Inc	2,300	1,200,918	0.03
Blackstone Inc-Floating	49,436	49,871,138	1.13
Bright Health Group Inc	33,700	903,844	0.02
Bristol-Myers Squibb Co	75,610	36,755,382	0.83
Brookfield Renewable Corp-A	7,900	2,268,475	0.05
Caesars Entertainment Inc	6,300	4,594,061	0.10
Camden Property Trust	3,200	4,457,909	0.10
Carvana Co	1,700	3,072,196	0.07

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States(continued)</i>			
CDW Corp	29,092	46,447,930	1.05
Central Garden & Pet Co-A	105,000	39,172,067	0.89
Ceridian HCM Holding Inc	3,000	2,443,298	0.06
ChemoCentryx Inc	2,400	681,298	0.02
Clear Secure Inc-A	2,522	616,829	0.01
Cloudflare Inc	2,300	2,358,082	0.05
Colgate-Palmolive Co	58,183	38,712,747	0.88
Concentrix Corp	1,400	1,949,680	0.04
Copa Holdings SA-A	1,525	982,812	0.02
Coterra Energy Inc	4,700	696,236	0.02
Cousins Properties Inc	12,800	4,019,802	0.09
Cummins Inc	600	1,020,450	0.02
Darling Ingredients Inc	79,159	42,763,782	0.97
Dexcom Inc	300	1,255,915	0.03
Diversey Holdings Ltd	26,100	2,708,469	0.06
Dover Corp	34,968	49,509,881	1.12
Dycom Industries Inc	6,000	4,386,055	0.10
Dynatrace Inc	4,100	1,929,152	0.04
East West BanCorp Inc	9,900	6,073,021	0.14
Eli Lilly and Co	29,492	63,513,287	1.44
Encore Capital Group Inc	3,100	1,501,165	0.03
EnerSys	4,700	2,897,076	0.07
Entegris Inc	2,300	2,485,041	0.06
Equitable Holdings Inc	17,400	4,448,319	0.10
Eventbrite Inc-A	12,100	1,645,270	0.04
Evercore Inc	31,858	33,742,977	0.77
Exact Sciences Corp	1,200	728,171	0.02
First American Financial Corp	5,100	3,110,633	0.07
First Horizon Corp	19,200	2,444,515	0.06
Flywire Corp	3,600	1,068,259	0.02
Freshworks Inc-A	3,400	696,112	0.02
General Motors Co	89,697	41,001,812	0.93
Graphic Packaging Holding Co	21,500	3,268,724	0.07
Halliburton Co	12,400	2,211,022	0.05
Horizon Therapeutics Plc	6,900	5,797,115	0.13
Humana Inc	12,108	43,788,955	0.99
Huntsman Corp	1,800	489,502	0.01
ICF International Inc	2,300	1,838,945	0.04
International Game Technology Plc	159,653	35,985,738	0.82
Intuit Inc	6,400	32,095,545	0.73
Iovance Biotherapeutics Inc	3,600	535,814	0.01
Jamf Holding Corp	6,800	2,015,172	0.05
Lifestance Health Group Inc	19,900	1,477,050	0.03
LKQ Corp	85,922	40,214,064	0.91

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States(continued)</i>			
Manhattan Associates Inc	3,600	4,364,256	0.10
Masonite International Corp	2,000	1,839,218	0.04
Mastercard Inc	19,434	54,443,850	1.23
Meta Platforms Inc-A	31,185	81,779,118	1.85
MetLife Inc	81,815	39,861,047	0.90
Microsoft Corp	74,823	196,197,294	4.45
Morgan Stanley	60,163	46,043,600	1.04
MYR Group Inc	4,100	3,533,848	0.08
Nevro Corp	900	568,863	0.01
NIKE Inc-B	32,791	42,610,570	0.97
Nova Ltd	864	986,862	0.02
NVIDIA Corp	34,959	80,163,014	1.82
OGE Energy Corp	7,100	2,124,558	0.05
Olaplex Holdings Inc	19,200	4,360,607	0.10
Parker-Hannifin Corp	600	1,488,153	0.03
Paymentus Holdings Inc-A	4,000	1,090,900	0.02
PayPal Holdings Inc	30,252	44,478,995	1.01
Pebblebrook Hotel Trust	6,100	1,063,901	0.02
Performance Food Group Co	7,000	2,504,502	0.06
Petco Health and Wellness Co Inc	14,500	2,237,273	0.05
Phillips 66	48,931	27,643,159	0.63
Pioneer Natural Resources Co	2,100	2,977,896	0.07
Piper Sandler Cos	2,100	2,922,719	0.07
Portillo's Inc-A	5,400	1,580,496	0.04
Purple Innovation Inc	6,100	631,111	0.01
Ralph Lauren Corp	2,500	2,316,760	0.05
Regal Rexnord Corp	2,251	2,986,684	0.07
Reinsurance Group of America Inc	900	768,285	0.02
Revolve Group Inc	6,500	2,839,989	0.06
Rexford Industrial Realty Inc	8,900	5,628,202	0.13
Rivian Automotive Inc-A	3,000	2,425,288	0.05
Root Inc-A	9,000	217,525	0.00
Rush Enterprises Inc-A	100,879	43,761,594	0.99
Seagen Inc	900	1,084,819	0.02
SentinelOne Inc-A	2,700	1,062,856	0.02
Signify Health Inc-A	6,800	753,900	0.02
Sitime Corp	2,100	4,789,716	0.11
Southwest Gas Holdings Inc	3,700	2,020,762	0.05
Sprout Social Inc	5,200	3,676,783	0.08
Steel Dynamics Inc	5,300	2,564,855	0.06
Stifel Financial Corp	5,100	2,800,086	0.06
SVB Financial Group	7,553	39,940,006	0.91
Switch Inc	19,000	4,242,598	0.10
Syneos Health Inc	5,200	4,162,885	0.09



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal International Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Synopsys Inc	21,482	61,718,796	1.40
Taylor Morrison Home Corp	171,877	46,848,364	1.06
TD SYNEX Corp	1,400	1,248,267	0.03
Teladoc Health Inc	900	644,295	0.01
Tesla Inc	3,326	27,403,881	0.62
The Hanover Insurance Group Inc	2,500	2,554,556	0.06
The Honest Co Inc	7,900	498,288	0.01
The Mosaic Co	4,000	1,225,314	0.03
The TJX Cos Inc	59,000	34,923,154	0.79
Thermo Fisher Scientific Inc	12,515	65,105,574	1.48
Titan Machinery Inc	4,800	1,260,804	0.03
Tractor Supply Co	900	1,674,242	0.04
Triton International Ltd	74,138	34,814,405	0.79
UnitedHealth Group Inc	22,512	88,134,134	2.00
Visteon Corp	2,800	2,426,239	0.06
Vital Farms Inc	5,984	842,587	0.02
World Wrestling Entertainment Inc-A	7,400	2,846,663	0.06
Zurn Water Solutions Corp	10,100	2,866,342	0.06
		<u>2,405,415,251</u>	<u>54.50</u>
<b>Total listed shares</b>		<u>4,252,401,801</u>	<u>96.43</u>
<b>Delisted Shares</b>			
<i>United Kingdom</i>			
Conviviality Plc	153,761	-	-
<b>Total delisted shares</b>		-	-
<b>Total investments</b>		4,252,401,801	96.43
<b>Other net assets</b>		<u>157,466,281</u>	<u>3.57</u>
<b>Total net asset value</b>		<u>4,409,868,082</u>	<u>100.00</u>
<b>Total cost of investments</b>		<u>3,262,780,198</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Pension Bond Fund

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments</b>				
<i>Fixed coupon rate debt instruments</i>				
<i>Denominated in United States Dollar</i>				
AbbVie Inc-2.3%	21.11.2022	1,250,000	9,881,830	0.38
AbbVie Inc-2.6%	21.11.2024	1,000,000	8,090,009	0.31
AbbVie Inc-3.2%	21.11.2029	1,200,000	10,003,275	0.38
Abu Dhabi Government-2.5%	30.09.2029	550,000	4,449,278	0.17
Abu Dhabi National Energy Co PJSC-4.375%	22.06.2026	300,000	2,587,941	0.10
Activision Blizzard Inc-1.35%	15.09.2030	1,750,000	12,584,944	0.48
AerCap Ireland Capital DAC / AerCap Global Aviation Trust-3%	29.10.2028	3,520,000	27,831,980	1.07
Air Lease Corp-2.875%	15.01.2026	2,000,000	16,083,450	0.62
Air Products and Chemicals Inc-1.85%	15.05.2027	1,500,000	11,861,751	0.45
Alibaba Group Holding Ltd-2.7%	09.02.2041	1,000,000	7,116,276	0.27
Alibaba Group Holding Ltd-3.6%	28.11.2024	1,000,000	8,201,423	0.31
Ally Financial Inc-4.625%	30.03.2025	1,200,000	10,163,439	0.39
Ally Financial Inc-5.8%	01.05.2025	2,125,000	18,696,203	0.72
Ally Financial Inc-8%	01.11.2031	865,000	9,546,681	0.37
Altria Group Inc-2.35%	06.05.2025	750,000	5,984,713	0.23
America Movil SAB de CV-3.625%	22.04.2029	700,000	5,908,621	0.23
American International Group Inc-3.9%	01.04.2026	3,855,000	32,574,727	1.25
Amgen Inc-2.2%	21.02.2027	1,600,000	12,769,022	0.49
Anheuser-Busch Cos Llc / Anheuser-Busch InBev Worldwide Inc-3.65%	01.02.2026	390,000	3,264,632	0.12
Anheuser-Busch InBev Worldwide Inc-4.75%	23.01.2029	825,000	7,486,663	0.29
Apple Inc-1.125%	11.05.2025	1,000,000	7,772,111	0.30
Apple Inc-2.05%	11.09.2026	1,000,000	8,009,135	0.31
Apple Inc-2.75%	13.01.2025	560,000	4,561,269	0.17
Apple Inc-3.2%	13.05.2025	340,000	2,820,572	0.11
Arch Capital Finance Llc-4.011%	15.12.2026	4,215,000	36,057,413	1.38
AT&T Inc-1.65%	01.02.2028	4,000,000	30,526,058	1.17
AT&T Inc-2.3%	01.06.2027	1,485,000	11,778,874	0.45
AT&T Inc-4.05%	15.12.2023	535,000	4,413,235	0.17
AT&T Inc-4.3%	15.02.2030	1,186,000	10,407,144	0.40
Athene Holding Ltd-4.125%	12.01.2028	2,500,000	21,317,619	0.82
Aviation Capital Group Llc-1.95%	30.01.2026	2,250,000	17,110,404	0.65
Avolon Holdings Funding Ltd-2.75%	21.02.2028	640,000	4,896,075	0.19
Avolon Holdings Funding Ltd-4.25%	15.04.2026	885,000	7,311,886	0.28
Avolon Holdings Funding Ltd-4.375%	01.05.2026	1,520,000	12,692,940	0.49
Avolon Holdings Funding Ltd-5.5%	15.01.2026	420,000	3,618,792	0.14
Baidu Inc-3.875%	29.09.2023	525,000	4,266,039	0.16
Baker Hughes Holdings Llc / Baker Hughes Co-Obligor Inc-3.337%	15.12.2027	240,000	1,994,452	0.08
Bank of America Corp-4.2%	26.08.2024	6,130,000	51,227,525	1.96

Principal Pension Bond Fund (continued)

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Fixed coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Bank of America Corp-4.25%	22.10.2026	4,145,000	35,658,539	1.36
Barclays Plc-4.836%	09.05.2028	3,050,000	26,195,117	1.00
BAT Capital Corp-2.259%	25.03.2028	2,500,000	18,993,199	0.73
BAT Capital Corp-3.222%	15.08.2024	2,900,000	23,499,713	0.90
BAT Capital Corp-3.557%	15.08.2027	1,700,000	13,901,039	0.53
Bayer US Finance II Llc-3.375%	15.07.2024	1,400,000	11,357,744	0.43
Bayer US Finance II Llc-3.875%	15.12.2023	455,000	3,707,181	0.14
Bayer US Finance II Llc-4.25%	15.12.2025	2,000,000	16,865,418	0.65
Bayer US Finance II Llc-4.375%	15.12.2028	870,000	7,576,251	0.29
Becton Dickinson and Co-3.363%	06.06.2024	275,000	2,244,725	0.09
Becton Dickinson and Co-3.7%	06.06.2027	1,720,000	14,614,021	0.56
Berkshire Hathaway Energy Co-3.25%	15.04.2028	2,000,000	16,690,025	0.64
Boston Gas Co-3.15%	01.08.2027	525,000	4,246,653	0.16
Boston Scientific Corp-3.45%	01.03.2024	2,000,000	16,306,027	0.62
BP Capital Markets America Inc-3.588%	14.04.2027	800,000	6,735,614	0.26
BP Capital Markets America Inc-4.234%	06.11.2028	1,145,000	10,076,338	0.39
Bristol-Myers Squibb Co-2.9%	26.07.2024	967,000	7,889,362	0.30
Broadcom Inc-3.137%	15.11.2035	198,000	1,552,924	0.06
Broadcom Inc-3.419%	15.04.2033	1,402,000	11,458,814	0.44
Brookfield Finance Inc-2.724%	15.04.2031	705,000	5,545,182	0.21
Brookfield Finance Inc-3.9%	25.01.2028	1,975,000	16,891,826	0.65
Brookfield Finance Inc-4%	01.04.2024	3,055,000	25,105,199	0.96
Centene Corp-3.375%	15.02.2030	750,000	5,954,984	0.23
Chevron Corp-1.995%	11.05.2027	1,500,000	11,869,937	0.45
Chile Government-3.24%	06.02.2028	400,000	3,286,298	0.13
Cigna Corp-3.75%	15.07.2023	461,000	3,737,678	0.14
Cigna Corp-4.125%	15.11.2025	960,000	8,185,434	0.31
Cigna Corp-4.375%	15.10.2028	690,000	6,113,982	0.23
Coca-Cola FEMSA SAB de CV-2.75%	22.01.2030	1,000,000	7,974,050	0.31
Colbun SA-3.15%	06.03.2030	250,000	1,949,150	0.07
Colombia Government-5%	15.06.2045	200,000	1,407,286	0.05
Comcast Corp-3.15%	01.03.2026	1,315,000	10,931,390	0.42
Comcast Corp-3.95%	15.10.2025	1,150,000	9,788,549	0.37
Comcast Corp-4.15%	15.10.2028	580,000	5,133,546	0.20
Constellation Brands Inc-2.875%	01.05.2030	500,000	4,000,622	0.15
Continental Resources Inc-3.8%	01.06.2024	2,745,000	22,331,890	0.85
Corporacion Nacional del Cobre de Chile-4.25%	17.07.2042	500,000	4,300,074	0.16
CoStar Group Inc-2.8%	15.07.2030	2,555,000	19,925,014	0.76
CVS Health Corp-3.25%	15.08.2029	2,835,000	23,566,492	0.90
CVS Health Corp-5%	01.12.2024	1,135,000	9,676,482	0.37
Dominion Energy Inc-3.9%	01.10.2025	3,930,000	33,046,509	1.26
Dominion Energy Inc-4.25%	01.06.2028	825,000	7,168,482	0.27
Principal Pension Bond Fund (continued)				

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Fixed coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
DuPont de Nemours Inc-4.205%	15.11.2023	3,770,000	31,082,437	1.19
E. I. du Pont de Nemours and Co-1.7%	15.07.2025	300,000	2,355,739	0.09
E. I. du Pont de Nemours and Co-2.3%	15.07.2030	250,000	1,956,405	0.07
Eastern Energy Gas Holdings Llc-2.5%	15.11.2024	500,000	4,014,021	0.15
Eastern Gas Transmission and Storage Inc-3%	15.11.2029	2,500,000	20,113,610	0.77
eBay Inc-2.6%	10.05.2031	1,800,000	14,171,047	0.54
Ecopetrol SA-6.875%	29.04.2030	500,000	4,351,516	0.17
Enel Chile SA-4.875%	12.06.2028	275,000	2,363,832	0.09
Energy Transfer LP-3.75%	15.05.2030	1,865,000	15,408,096	0.59
Enterprise Products Operating Llc-3.125%	31.07.2029	1,215,000	10,059,258	0.39
Evergy Inc-2.9%	15.09.2029	750,000	5,985,251	0.23
Exelon Corp-3.497%	01.06.2022	1,500,000	11,802,984	0.45
Expedia Group Inc-3.6%	15.12.2023	835,000	6,763,907	0.26
Expedia Group Inc-3.8%	15.02.2028	1,020,000	8,502,441	0.33
Expedia Group Inc-4.625%	01.08.2027	1,750,000	15,193,591	0.58
Exxon Mobil Corp-2.019%	16.08.2024	550,000	4,393,584	0.17
Exxon Mobil Corp-2.44%	16.08.2029	850,000	6,797,115	0.26
Fox Corp-4.709%	25.01.2029	2,250,000	20,022,803	0.77
GE Capital International Funding Co UnLtd Co-4.418%	15.11.2035	538,000	5,005,633	0.19
General Motors Co-5%	01.10.2028	1,285,000	11,489,155	0.44
General Motors Financial Co Inc-3.85%	05.01.2028	410,000	3,436,719	0.13
Glencore Funding Llc-3%	27.10.2022	1,180,000	9,342,045	0.36
Gruma SAB de CV-4.875%	01.12.2024	300,000	2,540,740	0.10
Hungary Government-5.375%	21.02.2023	600,000	4,908,321	0.19
Kinder Morgan Inc-5.625%	15.11.2023	2,200,000	18,327,947	0.70
Lam Research Corp-3.75%	15.03.2026	1,325,000	11,245,260	0.43
Lam Research Corp-4%	15.03.2029	525,000	4,583,128	0.18
Lennar Corp-4.75%	30.05.2025	910,000	7,762,217	0.30
Lockheed Martin Corp-2.9%	01.03.2025	1,105,000	9,022,951	0.35
Marathon Oil Corp-4.4%	15.07.2027	1,460,000	12,468,738	0.48
Markel Corp-3.5%	01.11.2027	1,285,000	10,721,277	0.41
Martin Marietta Materials Inc-2.4%	15.07.2031	1,300,000	10,089,240	0.39
Masco Corp-1.5%	15.02.2028	1,440,000	10,866,893	0.42
Merck & Co Inc-1.7%	10.06.2027	1,200,000	9,411,934	0.36
Mexico Government-3.75%	11.01.2028	350,000	2,929,623	0.11
Micron Technology Inc-2.703%	15.04.2032	1,250,000	9,756,762	0.37
Micron Technology Inc-4.185%	15.02.2027	1,750,000	14,941,735	0.57
Microsoft Corp-2.4%	08.08.2026	550,000	4,487,425	0.17
Morgan Stanley-5%	24.11.2025	3,780,000	32,991,122	1.26
MPLX LP-4%	15.03.2028	545,000	4,604,631	0.18
MPLX LP-4.25%	01.12.2027	640,000	5,526,774	0.21

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Pension Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Fixed coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
MPLX LP-4.875%	01.12.2024	525,000	4,442,759	0.17
National Australia Bank Ltd-2.332%	21.08.2030	1,900,000	14,191,104	0.54
Newmont Corp-2.25%	01.10.2030	1,250,000	9,608,520	0.37
Nucor Corp-2.7%	01.06.2030	300,000	2,410,955	0.09
Nuveen Finance Llc-4.125%	01.11.2024	2,375,000	19,911,082	0.76
Nuveen Llc-4%	01.11.2028	1,590,000	13,741,066	0.53
NVIDIA Corp-2.85%	01.04.2030	2,205,000	18,259,834	0.70
NXP BV / NXP Funding Llc / NXP USA Inc-2.7%	01.05.2025	250,000	2,013,624	0.08
NXP BV / NXP Funding Llc / NXP USA Inc-3.15%	01.05.2027	250,000	2,049,773	0.08
Omnicom Group Inc-2.6%	01.08.2031	925,000	7,307,967	0.28
Oracle Corp-2.5%	01.04.2025	500,000	3,989,645	0.15
Oracle Corp-3.25%	15.11.2027	1,830,000	15,022,943	0.58
Orbia Advance Corp SAB de CV-4%	04.10.2027	200,000	1,666,929	0.06
Panama Government-3.875%	17.03.2028	600,000	5,045,227	0.19
Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara-3.875%	17.07.2029	700,000	5,772,143	0.22
Peruvian Government-5.625%	18.11.2050	550,000	6,024,865	0.23
Petroleos Mexicanos-6.7%	16.02.2032	607,000	4,779,861	0.18
PETRONAS Capital Ltd-3.5%	21.04.2030	250,000	2,106,341	0.08
Philippine Government-3.75%	14.01.2029	500,000	4,386,324	0.17
Public Service Enterprise Group Inc-2.875%	15.06.2024	750,000	6,054,444	0.23
Qatar Energy-1.375%	12.09.2026	400,000	3,056,704	0.12
Qatar Government-3.25%	02.06.2026	1,000,000	8,303,145	0.32
Qatar Government-3.875%	23.04.2023	500,000	4,052,868	0.16
Raytheon Technologies Corp-3.5%	15.03.2027	885,000	7,390,884	0.28
Republic of Poland Government-3.25%	06.04.2026	400,000	3,344,791	0.13
Republic Services Inc-2.5%	15.08.2024	1,500,000	12,034,800	0.46
Roche Holdings Inc-1.93%	13.12.2028	2,000,000	15,687,804	0.60
Rogers Communications Inc-3.625%	15.12.2025	950,000	7,874,693	0.30
Romanian Government-4.875%	22.01.2024	130,000	1,079,322	0.04
SABIC Capital II BV-4%	10.10.2023	500,000	4,086,845	0.16
Sabine Pass Liquefaction Llc-5%	15.03.2027	2,100,000	18,389,603	0.70
salesforce.com Inc-3.7%	11.04.2028	995,000	8,608,100	0.33
Santander UK Plc-5%	07.11.2023	1,016,000	8,424,272	0.32
Saudi Arabian Oil Co-1.625%	24.11.2025	200,000	1,549,490	0.06
Saudi Arabian Oil Co-4.25%	16.04.2039	500,000	4,393,992	0.17
Saudi Government-4%	17.04.2025	400,000	3,358,944	0.13
Southern Copper Corp-6.75%	16.04.2040	125,000	1,363,187	0.05
Southwest Airlines Co-5.125%	15.06.2027	980,000	8,734,987	0.33
State Grid Overseas Investment (2016) Ltd-3.5%	04.05.2027	500,000	4,207,431	0.16

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Pension Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Fixed coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Steel Dynamics Inc-1.65%	15.10.2027	1,725,000	13,153,160	0.50
Steel Dynamics Inc-2.8%	15.12.2024	1,340,000	10,854,633	0.42
Sumitomo Mitsui Financial Group Inc-1.902%	17.09.2028	1,000,000	7,643,233	0.29
Svenska Handelsbanken AB-3.9%	20.11.2023	3,035,000	24,984,785	0.96
Synchrony Financial-3.95%	01.12.2027	675,000	5,651,193	0.22
Teck Resources Ltd-3.9%	15.07.2030	965,000	8,083,160	0.31
Tencent Holdings Ltd-3.975%	11.04.2029	500,000	4,240,161	0.16
The Boeing Co-2.196%	04.02.2026	2,130,000	16,602,805	0.64
The Boeing Co-2.7%	01.02.2027	3,655,000	28,975,030	1.11
The Boeing Co-2.8%	01.03.2024	1,000,000	8,010,593	0.31
The Boeing Co-4.875%	01.05.2025	1,000,000	8,530,034	0.33
The Goldman Sachs Group Inc-3.625%	20.02.2024	1,735,000	14,190,700	0.54
The Goldman Sachs Group Inc-3.85%	26.01.2027	1,270,000	10,642,050	0.41
The Walt Disney Co-3%	15.09.2022	830,000	6,584,119	0.25
TWDC Enterprises 18 Corp-3.15%	17.09.2025	730,000	6,044,210	0.23
Union Pacific Corp-3.75%	15.03.2024	1,385,000	11,349,565	0.43
Uruguay Government-5.1%	18.06.2050	150,000	1,544,323	0.06
Vale Overseas Ltd-3.75%	08.07.2030	1,750,000	14,121,728	0.54
Verizon Communications Inc-1.75%	20.01.2031	3,700,000	27,302,784	1.05
Verizon Communications Inc-4.5%	10.08.2033	430,000	3,941,415	0.15
ViacomCBS Inc-2.9%	15.01.2027	2,240,000	18,186,152	0.70
VMware Inc-1.8%	15.08.2028	1,200,000	9,104,751	0.35
VMware Inc-3.9%	21.08.2027	790,000	6,705,688	0.26
VMware Inc-4.65%	15.05.2027	415,000	3,638,821	0.14
Vodafone Group Plc-4.125%	30.05.2025	690,000	5,812,447	0.22
Vulcan Materials Co-3.9%	01.04.2027	1,590,000	13,561,105	0.52
Waste Connections Inc-2.6%	01.02.2030	750,000	5,966,188	0.23
Waste Connections Inc-3.5%	01.05.2029	1,825,000	15,386,094	0.59
Wells Fargo & Co-3.75%	24.01.2024	3,585,000	29,347,177	1.12
Xcel Energy Inc-2.6%	01.12.2029	1,000,000	7,969,396	0.31
XLIT Ltd-4.45%	31.03.2025	6,100,000	51,552,905	1.97
Zoetis Inc-3.9%	20.08.2028	3,770,000	32,613,087	1.25
<b>Total fixed coupon rate debt instruments</b>			<b>2,072,145,828</b>	<b>79.34</b>
<i>Floating coupon rate debt instruments</i>				
<i>Denominated in United States Dollar</i>				
Bank of America Corp-Floating	15.03.2025	1,455,000	11,863,735	0.45
Bank of America Corp-Floating	22.07.2027	2,250,000	17,414,589	0.67

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal Pension Bond Fund (continued)

<i>Investments</i>	<i>Maturity</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed/quoted debt instruments (continued)</b>				
<i>Floating coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollar (continued)</i>				
Bank of America Corp-Floating	14.06.2029	1,700,000	13,161,056	0.50
BNP Paribas-Floating	15.09.2029	525,000	4,012,718	0.15
Citigroup Inc-Floating	08.04.2026	1,250,000	10,216,733	0.39
Citigroup Inc-Floating	27.10.2028	550,000	4,599,800	0.18
Credit Suisse Group AG-Floating	05.06.2026	7,000,000	54,881,225	2.10
DBS Group Holdings Ltd-Floating	11.12.2028	1,865,000	15,350,777	0.59
General Motors Financial Co Inc-Floating	05.01.2023	1,090,000	8,533,468	0.33
HSBC Holdings Plc-Floating	24.05.2027	3,400,000	25,923,504	0.99
JPMorgan Chase & Co-Floating	22.04.2026	7,000,000	55,393,145	2.11
JPMorgan Chase & Co-Floating	04.02.2027	1,500,000	11,318,920	0.43
Morgan Stanley-Floating	10.12.2026	2,800,000	21,174,168	0.81
Morgan Stanley-Floating	20.07.2027	2,250,000	17,265,865	0.66
Morgan Stanley-Floating	22.07.2028	2,750,000	23,114,993	0.88
Natwest Group Plc-Floating	22.03.2025	1,800,000	14,851,325	0.57
Natwest Group Plc-Floating	22.05.2028	210,000	1,702,923	0.07
Standard Chartered Plc-Floating	30.01.2026	4,000,000	31,968,772	1.22
The Goldman Sachs Group Inc-Floating	21.10.2027	2,250,000	17,465,163	0.67
UBS Group AG-Floating	30.01.2027	2,815,000	21,451,987	0.82
Wells Fargo & Co-Floating	02.06.2028	5,060,000	40,094,987	1.53
<b>Total floating coupon rate debt instruments</b>			<u>421,759,853</u>	<u>16.12</u>
<b>Total listed/quoted debt instruments</b>			<u>2,493,905,681</u>	<u>95.46</u>
<b>Total investments</b>			2,493,905,681	95.46
<b>Other net assets</b>			<u>118,609,957</u>	<u>4.54</u>
<b>Total net asset value</b>			<u>2,612,515,638</u>	<u>100.00</u>
<b>Total cost of investments</b>			<u>2,454,038,939</u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares</b>			
<i>Ireland</i>			
Linde Plc	9,838	26,572,203	0.42
Medtronic Plc	25,829	20,832,593	0.33
Pentair Plc	3,176	1,808,369	0.03
Seagate Technology Holdings Plc	3,933	3,464,422	0.06
Trane Technologies Plc	4,559	7,181,095	0.11
Willis Towers Watson Plc	2,392	4,429,062	0.07
		<hr/>	<hr/>
		64,287,744	1.02
<i>Netherlands</i>			
NXP Semiconductors NV	5,103	9,062,466	0.14
		<hr/>	<hr/>
<i>United States</i>			
3M Co	11,061	15,318,490	0.24
A. O. Smith Corp	2,556	1,710,828	0.03
Abbott Laboratories	33,938	37,239,945	0.59
AbbVie Inc	33,930	35,818,531	0.57
ABIOMED Inc	873	2,444,666	0.04
Accenture Plc-A	12,124	39,185,743	0.62
Activision Blizzard Inc	14,948	7,753,644	0.12
Adobe Inc	9,131	40,369,428	0.64
Advance Auto Parts Inc	1,210	2,263,001	0.04
Advanced Micro Devices Inc	23,179	26,005,232	0.41
Aflac Inc	11,682	5,318,154	0.08
Agilent Technologies Inc	5,810	7,231,865	0.12
Air Products and Chemicals Inc	4,248	10,077,078	0.16
Akamai Technologies Inc	3,118	2,845,219	0.05
Alaska Air Group Inc	2,404	976,512	0.02
Albemarle Corp	2,245	4,091,762	0.07
Alexandria Real Estate Equities Inc	2,706	4,703,921	0.07
Align Technology Inc	1,407	7,209,144	0.11
Allegion Plc	1,721	1,777,073	0.03
Alliant Energy Corp	4,805	2,302,830	0.04
Alphabet Inc-A	5,773	130,395,106	2.08
Alphabet Inc-C	5,367	121,080,396	1.93
Altria Group Inc	35,258	13,027,156	0.21
Amazon.com Inc	8,370	217,590,827	3.47
Amcor Plc	29,427	2,755,461	0.04
Ameren Corp	4,944	3,431,014	0.05
American Airlines Group Inc	12,427	1,740,115	0.03



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
American Electric Power Co Inc	9,666	6,704,951	0.11
American Express Co	12,043	15,361,132	0.24
American International Group Inc	15,937	7,065,106	0.11
American Tower Corp	8,740	19,931,618	0.32
American Water Works Co Inc	3,484	5,130,071	0.08
Ameriprise Financial Inc	2,148	5,051,929	0.08
AmerisourceBergen Corp	2,871	2,974,615	0.05
AMETEK Inc	4,439	5,088,923	0.08
Amgen Inc	10,812	18,964,259	0.30
Amphenol Corp-A	11,477	7,826,059	0.12
Analog Devices Inc	10,314	14,134,392	0.23
ANSYS Inc	1,674	5,235,221	0.08
Anthem Inc	4,659	16,837,793	0.27
Aon Plc-A	4,229	9,910,010	0.16
APA Corp	6,974	1,462,103	0.02
Apple Inc	299,144	414,147,577	6.59
Applied Materials Inc	17,331	21,262,935	0.34
Aptiv Plc	5,191	6,675,881	0.11
Archer-Daniels-Midland Co	10,737	5,658,100	0.09
Arista Networks Inc	4,305	4,824,877	0.08
Arthur J. Gallagher & Co	3,978	5,262,294	0.08
Assurant Inc	1,094	1,329,405	0.02
AT&T Inc	137,056	26,286,841	0.42
Atmos Energy Corp	2,541	2,075,615	0.03
Autodesk Inc	4,219	9,249,423	0.15
Automatic Data Processing Inc	8,089	15,550,986	0.25
AutoZone Inc	403	6,586,920	0.10
AvalonBay Communities Inc	2,681	5,279,809	0.08
Avery Dennison Corp	1,589	2,683,042	0.04
Baker Hughes Co	16,775	3,146,758	0.05
Ball Corp	6,218	4,667,098	0.07
Bank of America Corp	138,229	47,947,594	0.76
Bath & Body Works Inc	5,074	2,760,889	0.04
Baxter International Inc	9,609	6,430,921	0.10
Becton Dickinson and Co	5,511	10,805,357	0.17
Berkshire Hathaway Inc-B	35,150	81,941,095	1.31
Best Buy Co Inc	4,250	3,366,572	0.05
Biogen Inc	2,820	5,274,980	0.08
Bio-Rad Laboratories Inc-A	414	2,438,823	0.04
Bio-Techne Corp	754	3,041,254	0.05
BlackRock Inc	2,740	19,558,818	0.31
Booking Holdings Inc	788	14,740,199	0.23
BorgWarner Inc	4,601	1,616,758	0.03
Boston Properties Inc	2,728	2,449,778	0.04

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Boston Scientific Corp	27,349	9,057,977	0.14
Bristol-Myers Squibb Co	42,600	20,708,627	0.33
Broadcom Inc	7,899	40,979,502	0.65
Broadridge Financial Solutions Inc	2,237	3,188,562	0.05
Brown & Brown Inc	4,499	2,465,205	0.04
Brown-Forman Corp-B	3,507	1,992,187	0.03
C.H. Robinson Worldwide Inc	2,495	2,093,674	0.03
Cadence Design Systems Inc	5,319	7,727,956	0.12
Caesars Entertainment Inc	4,102	2,991,244	0.05
Campbell Soup Co	3,887	1,317,072	0.02
Capital One Financial Corp	8,170	9,241,975	0.15
Cardinal Health Inc	5,410	2,171,828	0.03
CarMax Inc	3,112	3,159,773	0.05
Carnival Corp	15,439	2,421,879	0.04
Carrier Global Corp	16,632	7,033,466	0.11
Catalent Inc	3,285	3,279,083	0.05
Caterpillar Inc	10,384	16,737,648	0.27
Cboe Global Markets Inc	2,046	2,080,120	0.03
CBRE Group Inc	6,425	5,435,608	0.09
CDW Corp	2,605	4,159,111	0.07
Celanese Corp	2,090	2,738,520	0.04
Centene Corp	11,198	7,194,041	0.11
CenterPoint Energy Inc	12,069	2,626,252	0.04
Ceridian HCM Holding Inc	2,613	2,128,113	0.03
Cerner Corp	5,648	4,089,549	0.07
CF Industries Holdings Inc	4,116	2,271,387	0.04
Charles River Laboratories International Inc	968	2,843,600	0.05
Charter Communications Inc-A	2,375	12,072,479	0.19
Chevron Corp	36,999	33,851,532	0.54
Chipotle Mexican Grill Inc	539	7,346,789	0.12
Chubb Ltd	8,269	12,462,712	0.20
Church & Dwight Co Inc	4,687	3,745,623	0.06
CIGNA Corp	6,361	11,388,310	0.18
Cincinnati Financial Corp	2,876	2,554,655	0.04
Cintas Corp	1,686	5,825,499	0.09
Cisco Systems Inc	80,948	39,994,021	0.64
Citigroup Inc	38,085	17,931,814	0.29
Citizens Financial Group Inc	8,179	3,013,056	0.05
Citrix Systems Inc	2,393	1,764,791	0.03
CME Group Inc	6,897	12,285,014	0.20
CMS Energy Corp	5,560	2,819,859	0.04
Cognizant Technology Solutions Corp-A	10,080	6,972,480	0.11
Colgate-Palmolive Co	16,176	10,762,893	0.17
Comcast Corp-A	87,511	34,339,567	0.55

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Comerica Inc	2,518	1,707,970	0.03
Conagra Brands Inc	9,206	2,451,133	0.04
ConocoPhillips	25,316	14,246,796	0.23
Consolidated Edison Inc	6,789	4,516,083	0.07
Constellation Brands Inc-A	3,153	6,169,515	0.10
Copart Inc	4,095	4,840,783	0.08
Corning Inc	14,741	4,278,832	0.07
Corteva Inc	13,991	5,157,408	0.08
Costco Wholesale Corp	8,479	37,529,154	0.60
Coterra Energy Inc	15,614	2,312,986	0.04
Crown Castle International Corp	8,295	13,499,799	0.22
CSX Corp	42,570	12,479,487	0.20
Cummins Inc	2,746	4,670,260	0.07
CVS Health Corp	25,335	20,376,870	0.32
D.R. Horton Inc	6,255	5,288,861	0.08
Danaher Corp	12,206	31,310,334	0.50
Darden Restaurants Inc	2,491	2,925,629	0.05
DaVita Inc	1,252	1,110,450	0.02
Deere & Co	5,416	14,479,005	0.23
Delta Air Lines Inc	12,283	3,742,521	0.06
DENTSPLY SIRONA Inc	4,195	1,824,709	0.03
Devon Energy Corp	12,083	4,149,788	0.07
Dexcom Inc	1,860	7,786,675	0.12
Diamondback Energy Inc	3,268	2,747,941	0.04
Digital Realty Trust Inc	5,446	7,509,950	0.12
Discover Financial Services	5,626	5,068,886	0.08
Discovery Inc	3,247	595,928	0.01
Discovery Inc-C	5,829	1,040,722	0.02
DISH Network Corp-A	4,792	1,212,001	0.02
Dollar General Corp	4,478	8,233,574	0.13
Dollar Tree Inc	4,317	4,729,611	0.08
Dominion Energy Inc	15,544	9,520,714	0.15
Domino's Pizza Inc	699	3,075,499	0.05
Dover Corp	2,763	3,912,028	0.06
Dow Inc	14,197	6,278,242	0.10
DTE Energy Co	3,718	3,465,197	0.06
Duke Energy Corp	14,763	12,074,116	0.19
Duke Realty Corp	7,309	3,740,518	0.06
DuPont de Nemours Inc	9,945	6,263,454	0.10
DXC Technology Co	4,841	1,214,958	0.02
Eastman Chemical Co	2,581	2,433,075	0.04
Eaton Corp Plc	7,650	10,307,674	0.16
eBay Inc	12,016	6,229,982	0.10
Ecolab Inc	4,784	8,749,957	0.14

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Edison International	7,291	3,879,672	0.06
Edwards Lifesciences Corp	11,982	12,102,413	0.19
Electronic Arts Inc	5,429	5,583,029	0.09
Eli Lilly and Co	15,238	32,816,203	0.52
Emerson Electric Co	11,473	8,316,203	0.13
Enphase Energy Inc	2,589	3,692,717	0.06
Entergy Corp	3,857	3,387,553	0.05
EOG Resources Inc	11,229	7,776,891	0.12
EPAM Systems Inc	1,088	5,670,261	0.09
Equifax Inc	2,341	5,343,956	0.09
Equinix Inc	1,728	11,395,600	0.18
Equity Residential	6,549	4,620,924	0.07
Essex Property Trust Inc	1,249	3,429,999	0.05
Etsy Inc	2,433	4,153,101	0.07
Everest Re Group Ltd	756	1,614,547	0.03
Evergy Inc	4,400	2,353,669	0.04
Eversource Energy	6,598	4,680,190	0.07
Exelon Corp	18,776	8,455,426	0.13
Expedia Group Inc	2,802	3,948,022	0.06
Expeditors International of Washington Inc	3,251	3,403,815	0.05
Extra Space Storage Inc	2,569	4,541,281	0.07
Exxon Mobil Corp	81,254	38,764,166	0.62
F5 Inc	1,157	2,207,447	0.04
FactSet Research Systems Inc	722	2,735,821	0.04
Fastenal Co	11,038	5,512,931	0.09
Federal Realty Investment Trust	1,343	1,427,384	0.02
FedEx Corp	4,691	9,459,460	0.15
Fidelity National Information Services Inc	11,689	9,947,326	0.16
Fifth Third Bancorp	13,125	4,456,488	0.07
First Republic Bank	3,440	5,538,661	0.09
FirstEnergy Corp	10,448	3,387,875	0.05
Fiserv Inc	11,406	9,229,839	0.15
FLEETCOR Technologies Inc	1,559	2,720,753	0.04
FMC Corp	2,433	2,084,517	0.03
Ford Motor Co	75,339	12,200,049	0.19
Fortinet Inc	2,604	7,296,663	0.12
Fortive Corp	6,882	4,093,431	0.07
Fortune Brands Home & Security Inc	2,606	2,171,988	0.03
Fox Corp	2,824	754,543	0.01
Fox Corp	6,150	1,769,321	0.03
Franklin Resources Inc	5,393	1,408,156	0.02
Freeport-McMoRan Inc	28,183	9,169,399	0.15
Garmin Ltd	2,916	3,095,809	0.05
Gartner Inc	1,579	4,115,757	0.07

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Generac Holdings Inc	1,210	3,319,973	0.05
General Dynamics Corp	4,447	7,227,963	0.12
General Electric Co	21,076	15,523,418	0.25
General Mills Inc	11,624	6,106,493	0.10
General Motors Co	27,865	12,737,500	0.20
Genuine Parts Co	2,734	2,988,490	0.05
Gilead Sciences Inc	24,074	13,628,559	0.22
Global Payments Inc	5,570	5,870,470	0.09
Globe Life Inc	1,784	1,303,564	0.02
Halliburton Co	17,179	3,063,157	0.05
Hasbro Inc	2,488	1,974,322	0.03
HCA Healthcare Inc	4,597	9,208,262	0.15
Healthpeak Properties Inc	10,346	2,911,150	0.05
Henry Schein Inc	2,663	1,609,705	0.03
Hess Corp	5,290	3,053,294	0.05
Hewlett Packard Enterprise Co	25,104	3,086,597	0.05
Hilton Worldwide Holdings Inc	5,349	6,505,409	0.10
Hologic Inc	4,865	2,903,956	0.05
Honeywell International Inc	13,214	21,481,591	0.34
Hormel Foods Corp	5,414	2,060,309	0.03
Host Hotels & Resorts Inc	13,704	1,858,028	0.03
Howmet AeroSpace Inc	7,381	1,831,712	0.03
HP Inc	22,121	6,496,892	0.10
Humana Inc	2,466	8,918,365	0.14
Huntington Bancshares Inc	27,763	3,337,767	0.05
Huntington Ingalls Industries Inc	769	1,119,616	0.02
IDEX Corp	1,459	2,688,197	0.04
IDEXX Laboratories Inc	1,628	8,357,744	0.13
IHS Markit Ltd	7,654	7,932,024	0.13
Illinois Tool Works Inc	5,483	10,550,393	0.17
Illumina Inc	2,999	8,895,449	0.14
Incyte Corp	3,603	2,061,890	0.03
Ingersoll Rand Inc	7,822	3,773,142	0.06
Intel Corp	78,057	31,341,828	0.50
Intercontinental Exchange Inc	10,813	11,530,345	0.18
International Business Machines Corp	17,211	17,935,472	0.29
International Flavors & Fragrances Inc	4,885	5,737,715	0.09
International Paper Co	7,434	2,722,957	0.04
Intuit Inc	5,434	27,251,124	0.43
Intuitive Surgical Inc	6,851	19,191,832	0.31
InvesCo Ltd	6,550	1,175,579	0.02
IPG Photonics Corp	686	920,685	0.01
IQVIA Holdings Inc	3,667	8,066,420	0.13
Iron Mountain Inc	5,557	2,267,234	0.04

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
iShares Core S&P 500 ETF	43,722	162,597,752	2.59
J.B. Hunt Transport Services Inc	1,612	2,568,924	0.04
Jack Henry & Associates Inc	1,422	1,851,379	0.03
Jacobs Engineering Group Inc	2,501	2,714,887	0.04
Johnson & Johnson	50,526	67,389,777	1.07
Johnson Controls International Plc	13,603	8,623,507	0.14
JPMorgan Chase & Co	56,722	70,028,504	1.12
Juniper Networks Inc	6,241	1,737,598	0.03
Kellogg Co	4,910	2,466,082	0.04
KeyCorp	17,871	3,222,773	0.05
Keysight Technologies Inc	3,535	5,691,618	0.09
Kimberly-Clark Corp	6,462	7,200,542	0.11
Kimco Realty Corp	11,830	2,273,563	0.04
Kinder Morgan Inc	37,425	4,627,754	0.07
KLA Corp	2,911	9,761,734	0.16
L3Harris Technologies Inc	3,767	6,262,814	0.10
Laboratory Corp of America Holdings	1,837	4,500,227	0.07
Lam Research Corp	2,703	15,155,518	0.24
Lamb Weston Holdings Inc	2,803	1,385,098	0.02
Las Vegas Sands Corp	6,598	1,936,276	0.03
Leidos Holdings Inc	2,694	1,867,259	0.03
Lennar Corp-A	5,219	4,726,603	0.08
Lincoln National Corp	3,262	1,736,023	0.03
Live Nation Entertainment Inc	2,592	2,418,790	0.04
LKQ Corp	5,148	2,409,418	0.04
Lockheed Martin Corp	4,711	13,054,132	0.21
Loews Corp	3,848	1,732,876	0.03
Lowe's Cos Inc	13,291	26,784,889	0.43
Lumen Technologies Inc	17,688	1,730,724	0.03
LyondellBasell Industries NV-A	5,047	3,629,199	0.06
M&T Bank Corp	2,469	2,956,385	0.05
Marathon Oil Corp	14,944	1,913,133	0.03
Marathon Petroleum Corp	11,816	5,895,055	0.09
MarketAxess Holdings Inc	729	2,337,544	0.04
Marriott International Inc-A	5,250	6,763,628	0.11
Marsh & McLennan Cos Inc	9,692	13,134,647	0.21
Martin Marietta Materials Inc	1,197	4,111,166	0.07
Masco Corp	4,686	2,565,478	0.04
Mastercard Inc	16,651	46,647,348	0.74
Match Group Inc	5,433	5,601,968	0.09
McCormick & Co Inc	4,785	3,604,203	0.06
McDonald's Corp	14,341	29,973,185	0.48
McKesson Corp	2,931	5,680,280	0.09
Merck & Co Inc	48,479	28,967,725	0.46

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Meta Platforms Inc-A	45,417	119,100,921	1.90
MetLife Inc	13,724	6,686,463	0.11
Mettler-Toledo International Inc	442	5,848,750	0.09
MGM Resorts International	7,472	2,614,538	0.04
Microchip Technology Inc	10,649	7,228,243	0.12
Micron Technology Inc	21,471	15,593,384	0.25
Microsoft Corp	144,099	377,849,546	6.02
Mid-America Apartment Communities Inc	2,210	3,953,363	0.06
Moderna Inc	6,770	13,405,821	0.21
Mohawk Industries Inc	1,053	1,495,665	0.02
Molson Coors Beverage Co	3,615	1,306,361	0.02
Mondelez International Inc-A	26,773	13,841,441	0.22
Monolithic Power Systems Inc	831	3,196,272	0.05
Monster Beverage Corp	7,210	5,398,743	0.09
Moody's Corp	3,104	9,452,288	0.15
Morgan Stanley	27,553	21,086,703	0.34
Motorola Solutions Inc	3,242	6,867,646	0.11
MSCI Inc	1,582	7,557,054	0.12
Nasdaq Inc	2,246	3,677,519	0.06
NetApp Inc	4,292	3,078,262	0.05
Netflix Inc	8,501	39,929,057	0.64
Newell Brands Inc	7,266	1,237,238	0.02
Newmont Corp	15,304	7,400,175	0.12
News Corp	2,333	409,263	0.01
News Corp	7,543	1,312,046	0.02
NextEra Energy Inc	37,658	27,410,903	0.44
Nielsen Holdings Plc	6,886	1,101,128	0.02
NIKE Inc-B	24,524	31,867,940	0.51
NiSource Inc	7,537	1,622,446	0.03
Norfolk Southern Corp	4,671	10,841,978	0.17
Northern Trust Corp	3,987	3,718,082	0.06
Northrop Grumman Corp	2,861	8,634,011	0.14
NortonLifeLock Inc	11,165	2,261,534	0.04
Norwegian Cruise Line Holdings Ltd	7,101	1,148,242	0.02
NRG Energy Inc	4,699	1,578,288	0.03
Nucor Corp	5,487	4,883,331	0.08
NVIDIA Corp	47,981	110,023,214	1.75
NVR Inc	63	2,902,353	0.05
Occidental Petroleum Corp	17,029	3,848,953	0.06
Old Dominion Freight Line Inc	1,788	4,995,932	0.08
Omnicom Group Inc	4,081	2,331,299	0.04
ONEOK Inc	8,558	3,920,661	0.06
Oracle Corp	30,957	21,048,948	0.34
O'Reilly Automotive Inc	1,294	7,125,013	0.11

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Organon & Co	4,866	1,155,220	0.02
Otis Worldwide Corp	8,154	5,535,342	0.09
PACCAR Inc	6,663	4,584,996	0.07
Packaging Corp of America	1,823	1,935,127	0.03
Parker-Hannifin Corp	2,477	6,143,590	0.10
Paychex Inc	6,159	6,554,629	0.10
Paycom Software Inc	923	2,987,816	0.05
PayPal Holdings Inc	22,549	33,153,407	0.53
Penn National Gaming Inc	3,188	1,288,761	0.02
People's United Financial Inc	8,214	1,141,215	0.02
PepsiCo Inc	26,536	35,938,961	0.57
PerkinElmer Inc	2,422	3,796,689	0.06
Pfizer Inc	107,726	49,595,889	0.79
Philip Morris International Inc	29,879	22,130,688	0.35
Phillips 66	8,409	4,750,594	0.08
Pinnacle West Capital Corp	2,165	1,191,534	0.02
Pioneer Natural Resources Co	4,357	6,178,425	0.10
Pool Corp	769	3,393,501	0.05
PPG Industries Inc	4,556	6,125,294	0.10
PPL Corp	14,410	3,377,211	0.05
Principal Financial Group Inc	4,733	2,669,072	0.04
ProLogis Inc	14,189	18,624,986	0.30
Prudential Financial Inc	7,256	6,123,367	0.10
PTC Inc	2,027	1,914,619	0.03
Public Service Enterprise Group Inc	9,705	5,049,192	0.08
Public Storage	2,928	8,550,622	0.14
PulteGroup Inc	4,861	2,166,322	0.03
PVH Corp	1,365	1,135,008	0.02
Qorvo Inc	2,116	2,580,060	0.04
QUALCOMM Inc	21,497	30,649,653	0.49
Quanta Services Inc	2,734	2,444,082	0.04
Quest Diagnostics Inc	2,354	3,175,286	0.05
Ralph Lauren Corp	935	866,468	0.01
Raymond James Financial Inc	3,554	2,781,995	0.04
Raytheon Technologies Corp	28,729	19,276,452	0.31
Realty Income Corp	10,858	6,060,486	0.10
Regency Centers Corp	2,957	1,737,160	0.03
Regeneron Pharmaceuticals Inc	2,029	9,990,205	0.16
Regions Financial Corp	18,296	3,109,696	0.05
Republic Services Inc	4,017	4,367,426	0.07
ResMed Inc	2,796	5,678,280	0.09
Robert Half International Inc	2,137	1,858,072	0.03
Rockwell Automation Inc	2,225	6,051,653	0.10
Rollins Inc	4,344	1,158,639	0.02



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Roper Technologies Inc	2,024	7,761,707	0.12
Ross Stores Inc	6,822	6,078,371	0.10
Royal Caribbean Cruises Ltd	4,303	2,579,900	0.04
S&P Global Inc	4,625	17,017,453	0.27
salesforce.com inc	18,789	37,227,583	0.59
SBA Communications Corp	2,088	6,332,973	0.10
Schlumberger NV	26,920	6,286,040	0.10
Sealed Air Corp	2,845	1,496,574	0.02
Sempra Energy	6,128	6,320,016	0.10
ServiceNow Inc	3,819	19,327,390	0.31
Signature Bank	1,163	2,933,047	0.05
Simon Property Group Inc	6,306	7,855,149	0.13
Skyworks Solutions Inc	3,169	3,833,110	0.06
Snap-on Inc	1,032	1,732,967	0.03
SolarEdge Technologies Inc	1,007	2,202,804	0.04
Southwest Airlines Co	11,360	3,794,312	0.06
Stanley Black & Decker Inc	3,129	4,601,491	0.07
Starbucks Corp	22,647	20,653,346	0.33
State Street Corp	7,017	5,087,913	0.08
STERIS Plc	1,919	3,641,821	0.06
Stryker Corp	6,443	13,433,441	0.21
SVB Financial Group	1,126	5,954,250	0.09
Synchrony Financial	10,505	3,799,493	0.06
Synopsys Inc	2,926	8,406,536	0.13
Sysco Corp	9,839	6,025,629	0.10
T. Rowe Price Group Inc	4,314	6,613,894	0.11
Take-Two Interactive Software Inc	2,213	3,066,359	0.05
Tapestry Inc	5,282	1,671,975	0.03
Target Corp	9,368	16,904,041	0.27
TE Connectivity Ltd	6,264	7,879,507	0.13
Teledyne Technologies Inc	895	3,048,600	0.05
Teleflex Inc	899	2,302,363	0.04
Teradyne Inc	3,129	3,989,406	0.06
Tesla Inc	15,612	128,631,807	2.05
Texas Instruments Inc	17,724	26,044,092	0.41
Textron Inc	4,232	2,547,230	0.04
The AES Corp	12,795	2,424,107	0.04
The Allstate Corp	5,504	5,048,654	0.08
The Bank of New York Mellon Corp	14,583	6,603,569	0.11
The Boeing Co	10,602	16,641,021	0.27
The Charles Schwab Corp	28,853	18,918,740	0.30
The Clorox Co	2,358	3,205,501	0.05
The Coca-Cola Co	74,611	34,443,174	0.55
The Cooper Cos Inc	946	3,089,927	0.05

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
The Estee Lauder Cos Inc-A	4,447	12,835,382	0.20
The Gap Inc	4,119	566,816	0.01
The Goldman Sachs Group Inc	6,515	19,431,569	0.31
The Hartford Financial Services Group Inc	6,534	3,517,104	0.06
The Hershey Co	2,790	4,208,459	0.07
The Home Depot Inc	20,257	65,544,904	1.04
The Interpublic Group of Cos Inc	7,557	2,206,513	0.04
The J. M. Smucker Co	2,079	2,201,524	0.04
The Kraft Heinz Co	13,625	3,813,609	0.06
The Kroger Co	12,989	4,583,482	0.07
The Mosaic Co	7,109	2,177,689	0.03
The PNC Financial Services Group Inc	8,113	12,683,655	0.20
The Procter & Gamble Co	46,447	59,237,008	0.94
The Progressive Corp	11,228	8,986,004	0.14
The Sherwin-Williams Co	4,630	12,712,362	0.20
The Southern Co	20,340	10,875,611	0.17
The TJX Cos Inc	23,081	13,662,056	0.22
The Travelers Cos Inc	4,722	5,759,056	0.09
The Walt Disney Co	34,875	42,115,585	0.67
The Williams Cos Inc	23,319	4,734,304	0.08
Thermo Fisher Scientific Inc	7,562	39,339,061	0.63
T-Mobile US Inc	11,267	10,188,181	0.16
Tractor Supply Co	2,185	4,064,687	0.06
TransDigm Group Inc	1,004	4,980,664	0.08
Trimble Inc	4,817	3,274,527	0.05
Truist Financial Corp	25,620	11,695,297	0.19
Twitter Inc	15,346	5,171,127	0.08
Tyler Technologies Inc	786	3,296,626	0.05
Tyson Foods Inc-A	5,658	3,844,903	0.06
UDR Inc	5,578	2,608,931	0.04
Ulta Beauty Inc	1,044	3,356,303	0.05
Under Armour Inc-A	3,616	597,399	0.01
Under Armour Inc-C	4,127	580,465	0.01
Union Pacific Corp	12,340	24,238,196	0.39
United Airlines Holdings Inc	6,214	2,121,057	0.03
United Parcel Service Inc-B	13,994	23,385,698	0.37
United Rentals Inc	1,389	3,598,527	0.06
UnitedHealth Group Inc	18,076	70,767,262	1.13
Universal Health Services Inc-B	1,404	1,419,314	0.02
US Bancorp	25,897	11,341,203	0.18
V.F. Corp	6,256	3,571,344	0.06
Valero Energy Corp	7,846	4,594,638	0.07
Ventas Inc	7,661	3,053,385	0.05
VeriSign Inc	1,855	3,670,921	0.06

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

<i>Investments</i>	<i>* Portfolio holdings</i>	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Listed shares (continued)</b>			
<i>United States (continued)</i>			
Verisk Analytics Inc	3,093	5,515,797	0.09
Verizon Communications Inc	79,461	32,190,551	0.51
Vertex Pharmaceuticals Inc	4,880	8,355,211	0.13
ViacomCBS Inc	11,644	2,739,849	0.04
Viatris Inc	23,211	2,448,482	0.04
Visa Inc	32,188	54,384,882	0.87
Vornado Realty Trust	3,051	995,742	0.02
Vulcan Materials Co	2,546	4,120,493	0.07
W. R. Berkley Corp	2,679	1,720,887	0.03
W.W. Grainger Inc	831	3,357,664	0.05
Walgreens Boots Alliance Inc	13,789	5,607,582	0.09
Walmart Inc	27,296	30,792,345	0.49
Waste Management Inc	7,388	9,613,654	0.15
Waters Corp	1,172	3,404,675	0.05
WEC Energy Group Inc	6,054	4,581,764	0.07
Wells Fargo & Co	76,528	28,627,660	0.46
Welltower Inc	8,354	5,586,440	0.09
West Pharmaceutical Services Inc	1,421	5,196,147	0.08
Western Digital Corp	5,980	3,040,329	0.05
Westinghouse Air Brake Technologies Corp	3,587	2,575,985	0.04
WestRock Co	5,124	1,772,172	0.03
Weyerhaeuser Co	14,376	4,615,616	0.07
Whirlpool Corp	1,166	2,133,255	0.03
Wynn Resorts Ltd	2,020	1,339,306	0.02
Xcel Energy Inc	10,338	5,456,705	0.09
Xilinx Inc	4,757	7,863,859	0.13
Xylem Inc	3,460	3,234,990	0.05
Yum! Brands Inc	5,627	6,091,992	0.10
Zebra Technologies Corp-A	1,025	4,756,550	0.08
Zimmer Biomet Holdings Inc	4,009	3,970,834	0.06
Zions Bancorp National Association	3,004	1,479,269	0.02
Zoetis Inc	9,080	17,275,647	0.28
		<u>6,128,088,616</u>	<u>97.65</u>
<b>Total listed shares</b>		<u>6,201,438,826</u>	<u>98.81</u>
<b>Total investments</b>		6,201,438,826	98.81

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Portfolio Statement as at 31 December 2021 (continued)

Principal U.S. Equity Fund (continued)

	<i>Fair value HK\$/HK\$ equivalent</i>	<i>% of NAV</i>
<b>Other net assets</b>	<u>74,811,804</u>	<u>1.19</u>
<b>Total net asset value</b>	<u><u>6,276,250,630</u></u>	<u><u>100.00</u></u>
<b>Total cost of investments</b>	<u><u>4,702,232,318</u></u>	

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

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings

**Principal Asian Bond Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed/quoted debt instruments</b>		
Non-certificates of deposit	94.44	93.57
<b>Forward contracts (by currency)</b>		
United States Dollar	<u>(0.01)</u>	<u>(0.01)</u>
	94.43	93.56
Other net assets	<u>5.57</u>	<u>6.44</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal Asian Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by country/by region)</b>		
Australia	13.18	14.33
China	22.94	27.57
Hong Kong	7.96	8.59
India	15.70	11.91
Indonesia	2.11	0.39
Malaysia	0.87	1.21
New Zealand	0.56	0.51
Singapore	4.99	3.38
South Korea	10.40	15.16
Taiwan	14.03	12.52
Thailand	2.03	1.53
The Philippines	2.11	1.33
	<hr/>	<hr/>
	96.88	98.43
Other net assets	3.12	1.57
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal China Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by industry sector)</b>		
Consumer discretionary	20.26	33.06
Consumer staples	5.14	3.52
Energy	2.14	0.85
Financials	20.76	24.24
Health care	8.71	8.28
Industrials	8.44	4.56
Information technology	9.48	7.46
Materials	4.96	1.91
Telecommunication services	12.79	10.92
Utilities	3.92	2.90
	<hr/>	<hr/>
	96.60	97.70
Other net assets	3.40	2.30
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal European Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by country/by region)</b>		
Austria	-	0.51
Belgium	0.53	0.50
Denmark	5.86	6.62
Finland	1.28	2.65
France	18.47	13.07
Germany	8.46	12.95
Ireland	2.79	2.58
Italy	3.34	5.19
Netherlands	9.82	9.61
Norway	2.53	0.85
Portugal	0.45	-
Spain	1.37	2.99
Sweden	7.82	9.09
Switzerland	13.94	11.97
United Kingdom	21.18	19.47
	<hr/>	<hr/>
	97.84	98.05
<b>Forward contracts (by country/by region)</b>		
Hong Kong	(0.26)	(0.39)
	<hr/>	<hr/>
	97.58	97.66
Other net assets	2.42	2.34
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal Hong Kong Bond Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed/quoted debt instruments</b>		
Certificates of deposit	10.46	15.06
Non-certificates of deposit	<u>85.61</u>	<u>81.76</u>
	96.07	96.82
Other net assets	<u>3.93</u>	<u>3.18</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal Hong Kong Dollar Savings Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed/quoted debt instruments</b>		
Certificates of deposit	8.38	23.54
Non-certificates of deposit	<u>59.32</u>	<u>40.58</u>
	67.70	64.12
Other net assets	<u>32.30</u>	<u>35.88</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal Hong Kong Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by industry sector)</b>		
Consumer discretionary	21.92	28.23
Consumer staples	2.41	2.74
Energy	1.65	0.88
Financials	33.47	34.15
Health care	5.46	6.00
Industrials	5.54	4.72
Information technology	6.05	6.16
Materials	2.76	1.17
Telecommunication services	13.13	11.19
Utilities	5.38	3.14
	<hr/>	<hr/>
	97.77	98.38
Other net assets	2.23	1.62
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal International Bond Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed/quoted debt instruments (by currency)</b>		
<b>Non-certificates of deposit (by currency)</b>		
Australian Dollar	1.31	1.49
British Pound	4.24	4.84
Canadian Dollar	2.15	2.64
Czech Koruna	0.03	0.04
Danish Krone	0.27	0.29
Euro	12.59	17.49
Japanese Yen	9.70	10.30
New Zealand Dollar	0.05	0.06
Norwegian Krone	0.42	0.46
Polish Zloty	0.03	0.04
Singapore Dollar	0.04	0.04
Swedish Krona	0.08	0.09
Swiss Franc	0.25	0.29
Thai Baht	0.05	0.06
United States Dollar	<u>64.62</u>	<u>57.15</u>
	95.83	95.28
<b>Forward contracts (by currency)</b>		
United States Dollar	<u>(0.03)</u>	<u>(0.03)</u>
	95.80	95.25
Other net assets	<u>4.20</u>	<u>4.75</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal International Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by country/by region)</b>		
Australia	0.24	1.37
Austria	0.84	-
Belgium	-	0.03
Bermuda	-	0.67
Brazil	0.10	0.19
Canada	5.08	5.18
China	0.10	1.70
Denmark	0.06	2.20
Finland	0.90	0.10
France	3.85	3.03
Germany	0.31	1.21
Hong Kong	0.08	2.25
India	1.58	0.34
Indonesia	0.03	-
Ireland	1.75	0.97
Israel	0.06	1.12
Italy	1.31	2.00
Japan	9.67	9.77
Malaysia	0.02	0.08
Mexico	0.82	0.12
Netherlands	2.18	2.37
New Zealand	-	0.05
Norway	-	0.06
Peru	-	0.03
Poland	0.04	0.05
Russia	0.03	0.06
Singapore	0.20	0.15
South Africa	-	0.04
South Korea	0.13	2.83
Spain	0.68	1.11
Sweden	0.12	0.27
Switzerland	3.45	3.44
Taiwan	3.02	3.40
Thailand	0.03	0.06
The Philippines	0.05	-
United Kingdom	5.20	4.00
United States	54.50	47.29
	<hr/>	<hr/>
	96.43	97.54
Other net assets	3.57	2.46
	<hr/>	<hr/>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal International Equity Fund (Continued)**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by country/by region) (Continued)</b>		
Total net assets	<u>100.00</u>	<u>100.00</u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal Pension Bond Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed/quoted debt instruments</b>		
Fixed coupon rate debt instruments	79.34	80.33
Floating coupon rate debt instruments	<u>16.12</u>	<u>15.61</u>
	95.46	95.94
Other net assets	<u>4.54</u>	<u>4.06</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Statement of movements in portfolio holdings (continued)

**Principal U.S. Equity Fund**

	<i>% of net assets as at 31 December 2021</i>	<i>% of net assets as at 31 December 2020</i>
<b>Listed shares (by industry sector)</b>		
Consumer discretionary	12.11	13.02
Consumer staples	5.65	6.03
Energy	2.57	1.70
Financials	15.53	13.49
Health care	12.75	14.31
Industrials	7.55	8.12
Information technology	28.46	27.56
Materials	2.42	2.76
Telecommunication services	9.39	9.87
Utilities	2.38	1.14
	<hr/>	<hr/>
	98.81	98.00
Other net assets	1.19	2.00
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>



## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment income and performance

	Year ended 31 December 2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Investment performance</b>											
Net gains of investments – realised	11,599,328	736,963,833	312,495,597	155,994,502	189,917,118	32,710,158	922,064,273	119,871,587	441,843,469	107,444,680	603,731,066
Net gains/(losses) of investments – unrealised	(5,634,218)	(878,509,464)	(1,307,821,558)	457,617,052	(199,453,904)	(21,689,562)	(3,229,336,360)	(366,872,413)	105,004,298	(125,977,759)	687,438,940

	Year ended 31 December 2020										
	*Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Investment performance</b>											
Net gains of investments – realised	2,383,119	136,425,724	188,026,678	13,036,313	223,127,503	49,453,249	98,235,471	141,625,471	84,238,120	107,179,058	103,858,632
Net gains of investments – unrealised	968,762	1,128,962,999	754,397,822	291,185,233	235,868,489	7,786,341	1,941,489,223	275,734,911	413,208,530	88,872,291	376,521,720

\*It was launched on 17 August 2020.

Investment performance	Year ended 31 December 2019									
	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
	Asian	China	European	Hong Kong	Hong Kong	Hong Kong	International	International	Pension	U.S.
	Equity	Equity	Equity	Bond	Dollar Savings	Equity	Bond	Equity	Bond	Equity
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net gains/(losses) of investments – realised	43,295,528	92,005,809	415,815	130,757,267	54,434,415	(43,467,428)	130,581,250	120,631,831	92,006,277	97,282,124
Net gains/(losses) of investments – unrealised	580,703,162	504,036,917	167,283,061	110,824,737	(1,496,161)	1,166,404,238	216,064,489	508,384,032	138,070,953	354,687,677

# PRINCIPAL LIFE STYLE FUND

## INVESTMENT REPORT (continued)

### Investment income and performance (continued)

Year ended 31 December 2021											
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Income derived from investments</b>											
Bank interest	30	68,101	13,322	67,636	768	4,738	-	113,664	86,156	64,687	2,362
Fixed deposit interest	-	-	-	-	-	8,206,831	-	-	-	-	-
Gross dividend income	-	132,369,435	100,689,184	89,560,307	-	-	270,968,452	-	48,701,300	-	75,848,158
Other income	-	-	-	4,362	-	-	-	-	219,970	-	197,562

Year ended 31 December 2020											
	*Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Income derived from investments</b>											
Bank interest	529	39,245	647	41,994	810	33,313	-	56,774	74,027	94,246	19,082
Fixed deposit interest	-	-	-	-	-	25,789,253	-	-	-	-	-
Gross dividend income	-	122,774,368	117,873,876	21,412,395	-	-	302,146,482	-	50,037,201	-	55,075,841
Other income	-	-	-	285,012	-	-	-	-	252,248	-	76,708

\*It was launched on 17 August 2020.

	Year ended 31 December 2019									
	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Income derived from investments										
Bank interest	159,918	625	22,565	579	527	-	55,356	84,446	95,727	28,301
Fixed deposit interest	-	-	-	-	30,368,569	-	-	-	-	-
Gross dividend income	145,167,418	130,770,858	25,131,138	-	-	363,150,295	-	80,588,632	-	35,986,219
Other income	-	-	440,876	-	-	-	-	426,388	-	218,044

PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Information On Exposure Arising From Financial Derivative Instruments

Principal Asian Bond Fund

Gross exposure			Net exposure (note a)		
<i>Highest</i>	<i>Lowest</i>	Average exposure	<i>Highest</i>	<i>Lowest</i>	Average exposure
4,364,833	1,445,031	3,119,363	-	-	-

Principal European Equity Fund

Gross exposure			Net exposure (note a)		
<i>Highest</i>	<i>Lowest</i>	Average exposure	<i>Highest</i>	<i>Lowest</i>	Average exposure
658,339,351	2,749,288	92,034,616	-	-	-

Principal International Bond Fund

Gross exposure			Net exposure (note a)		
<i>Highest</i>	<i>Lowest</i>	Average exposure	<i>Highest</i>	<i>Lowest</i>	Average exposure
88,044,896	7,548,807	54,437,035	-	-	-

note a: The financial derivative instruments are used for hedging purpose and not included in the calculation of the net derivative exposure.

## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment objectives and policies

Each sub-fund of Principal Life Style Fund (the "Sub-fund") has a separate and distinct investment objective and policy, as described below:

#### ***Principal Asian Bond Fund***

The investment objective of the Principal Asian Bond Fund is to provide a return consisting of income and capital growth over medium to long term. The Sub-fund will seek to achieve its investment objective by investing 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 the 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 Sub-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 Sub-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 RMB, South Korean Won and Singaporean dollars, will not exceed 30% of the Sub-fund's total assets. During special circumstances, such as periods of uncertainty or high volatility in Asian debt securities markets, the Sub-fund may invest up to 30% of its assets in non-Asian assets to protect the Sub-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 Sub-fund maintain liquidity and buffer against market volatility, the Manager may choose to invest in non-Asian assets, such as U.S. Treasuries, non-Asian highly rated sovereign debt securities, which are more liquid and have lower bid-offer spread etc.

The Sub-fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

The risk profile of this Sub-fund is generally regarded as moderate. 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.

#### ***Principal Asian Equity Fund***

The investment objective of the Principal Asian Equity Fund is to seek capital growth over the long term by investment in Asian equity markets.

To achieve its objective, the Sub-fund will invest primarily in equity securities of companies in the Asian Region. The Sub-Fund 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. In addition, the Sub-fund may hold cash and short-term investments such as bills and deposits.

Investment markets may include, but are not limited to, Hong Kong, Singapore, South Korea, Malaysia, Taiwan, Thailand, the Philippines, Indonesia, India and China.

The Sub-fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.

## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

##### ***Principal China Equity Fund***

The investment 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 will invest at least 70% of its assets in equities issued by companies with exposure to different sectors of the economy in the People's Republic of China (Mainland China) or in collective investment schemes as permitted under the MPF Regulation which primarily invest in such equity securities. Equity securities include but are not limited to equity shares, preference shares and depositary receipts.

This Sub-fund may hold cash and short-term investments for cash management purpose. It will maintain an effective exposure of at least 30% in Hong Kong dollars.

This Sub-fund will not enter into any financial futures contracts or financial options contracts.

The Sub-Fund 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.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.

##### ***Principal European Equity Fund***

The investment objective of the Principal European Equity Fund is to achieve capital growth over the long-term by investing mainly in European equity markets.

This Sub-fund will invest primarily in listed equities issued by companies established in Europe or by companies whose shares are listed in Europe or companies that are listed elsewhere but have substantial business in Europe.

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

This Sub-fund will not enter into any financial futures contracts or any financial option contracts.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.

## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

##### ***Principal Hong Kong Bond Fund***

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

This Sub-fund will seek to achieve its investment objective by primarily investing 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 the government or by multi-lateral agencies or by companies, and denominated in Hong Kong dollars.

The types of debt securities that this Sub-fund primarily intends to invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit.

This Sub-fund will invest not more than 30% of its assets in other short-term investments such as bills and deposits or may hold cash.

This Sub-fund will not enter into any financial derivative instruments, including financial futures contracts or financial option contracts.

The risk profile of this Sub-fund is generally regarded as moderate.

##### ***Principal Hong Kong Dollar Savings Fund***

The investment objective of the Principal Hong Kong Dollar Savings Fund is to earn a competitive short-to-medium-term rate of return.

To achieve its investment objective, the Sub-fund will invest primarily in a portfolio of high quality short-to-medium duration debt securities (rated or unrated), including (but not limited to) sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by the government or by multi-lateral agencies or by companies, and denominated in Hong Kong dollars. The types of debt securities that the Sub-fund primarily intends to invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and the Sub-fund may also hold assets denominated in other currencies.

This Sub-fund will not enter into any financial future contracts or financial options contracts.

The risk profile of this Sub-fund is generally regarded as low. In the long term, the return of this Sub-fund is expected to exceed the Hong Kong dollar bank saving rates in Hong Kong.

## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

##### ***Principal Hong Kong Equity Fund***

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 will invest 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 Principal Hong Kong Equity Fund may also invest in listed equities issued by companies which have business in Hong Kong.

The Sub-fund 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.

This Sub-fund will not enter into any financial futures contracts or financial option contracts.

The Sub-Fund 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.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.

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

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

To accomplish its objective, the Sub-fund will invest mainly in the global bond markets. The Sub-fund will primarily invest in a portfolio of debt securities, both sovereign and non-sovereign, of varying maturities and denominated in the world's major currencies.

The Sub-fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

The risk profile of this Sub-fund is generally regarded as moderate. In the long term, the return of this Sub-fund is expected to be comparable to the inflation rates in Hong Kong.

## PRINCIPAL LIFE STYLE FUND

### INVESTMENT REPORT (continued)

#### Investment objectives and policies (continued)

##### ***Principal International Equity Fund***

The investment objective of the Principal International Equity Fund is to seek capital growth over the long-term by investing in international equity markets.

The Sub-fund seeks to achieve its objective by investing primarily in equity securities selected from investment markets around the world. The Sub-fund may also hold cash and short-term investments.

The Sub-fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.

##### ***Principal Pension Bond Fund***

The investment objective of the Principal Pension Bond Fund is to provide a return consisting of income and capital growth over medium to long term.

This Sub-fund will seek to achieve its investment objective by primarily investing in debt securities, including sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by the government or by multi-lateral agencies or by companies throughout the world such that at least 40% is invested at all times in United States and Greater China (People's Republic of China, Hong Kong, Macau and Taiwan). The types of debt securities that the Sub-fund primarily intends to invest into are government bonds, corporate bonds/debentures, bills, commercial paper and certificates of deposit.

This Sub-fund will not enter into any financial futures contracts or financial options contracts.

The risk profile of this Sub-fund is generally regarded as moderate. In the long term, the return of the Sub-fund is expected to be comparable to the inflation rates in Hong Kong.

##### ***Principal U.S. Equity Fund***

The investment objective of the Principal U.S. Equity Fund is to achieve capital growth over the long term by investing in U.S. equity markets.

The Sub-fund seeks to achieve its objective by investing primarily in U.S. equities. The Sub-fund may also hold cash and short-term securities.

The Sub-fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

The risk profile of this Sub-fund is generally regarded as high. In the long term, the return of this Sub-fund is expected to exceed the inflation rates in Hong Kong.



PRINCIPAL LIFE STYLE FUND

INVESTMENT REPORT (continued)

Investment objectives and policies (continued)

**Changes in the statement of investment policy**

*Principal Asian Bond Fund*

*Principal Asian Equity Fund*

*Principal China Equity Fund*

*Principal European Equity Fund*

*Principal Hong Kong Bond Fund*

*Principal Hong Kong Dollar Savings Fund*

*Principal Hong Kong Equity Fund*

*Principal International Bond Fund*

*Principal International Equity Fund*

*Principal Pension Bond Fund*

*Principal U.S. Equity Fund*

*(Sub-funds of Principal Life Style Fund and referred to individually or collectively as the "Sub-funds")*

During the year under review, there were no changes in the investment objective and policies of the above Sub-funds that would significantly affect their risk profile.

**Commentary by the Trustee**

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

For and on behalf of

**Principal Trust Company (Asia) Limited**

A handwritten signature in blue ink, reading "Paulo Cho Wai Yee". To the left of the signature are two small, stylized blue marks that resemble a cross and a triangle.

Hong Kong  
27 April 2022

**Report of the Trustee to the Unitholders of  
PRINCIPAL LIFE STYLE FUND (the "Fund")**

We hereby confirm that:

- (1) in our opinion, subject to (3) below, the Manager of the Fund has in all material respects managed the Fund in accordance with the provisions of the Trust Deed dated 7 May 2003, as subsequently amended and restated, for the year ended 31 December 2021;
- (2) during the year ended 31 December 2021, subject to (3) below, we have not become aware of any failures by the Custodian, the Manager, or their delegates to comply with the obligations imposed on them;
- (3) we are not aware of any events of a significant nature relating to the Fund that occurred during the year ended 31 December 2021 but have not been reported to the Mandatory Provident Fund Schemes Authority (the "Authority") and/or the Securities and Futures Commission (the "SFC") except for the events specified under the Guidelines on Notification of Events of Significant Nature issued by the Authority;
- (4) subject to (3) above, the provisions of the constitutive documents, the Mandatory Provident Fund Schemes Ordinance, the Mandatory Provident Fund Schemes (General) Regulation, the Code on MPF Investment Funds, the Code on Unit Trusts and Mutual Funds and other relevant guidelines issued by the Authority and the SFC have been complied with in all material respects during the year ended 31 December 2021; and
- (5) in our opinion, there are no material changes which have not been reported to the Authority during the year ended 31 December 2021.

We declare that, during the year ended 31 December 2021, we have supervised and exercised proper controls over all persons appointed or engaged for the purposes of the Fund.

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



Hong Kong  
21 April 2022

## Independent auditor's report

**To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund**

**(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund (each a separate sub-fund of Principal Life Style Fund and referred to individually or collectively as the "Sub-funds") set out on pages 125 to 195, which comprise the statements of net assets attributable to unitholders as at 31 December 2021, and the statements of profit or loss and other comprehensive income, the statements of changes in net assets attributable to unitholders and the statements of cash flows for the year then ended, and the statements of distribution for the year ended 31 December 2021 for Principal China Equity Fund, Principal Hong Kong Bond Fund and Principal Hong Kong Equity Fund, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial positions of the Sub-funds as at 31 December 2021, and of their financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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* 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 Sub-funds 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.

## **Independent auditor's report (continued)**

**To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund**

**(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

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

The Trustee and the Manager of the Sub-funds are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 and Manager for the Financial Statements**

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

In preparing the financial statements, the Trustee and the Manager of the Sub-funds are responsible for assessing the Sub-funds' abilities 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 and the Manager either intend to liquidate the Sub-funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Trustee and the Manager of the Sub-funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 May 2003, as subsequently amended (the "Trust Deed"), the Mandatory Provident Fund Schemes Ordinance (the "Ordinance"), the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), the Code on MPF Investment Funds (the "MPF Code"), Guideline II.5 issued by the Mandatory Provident Fund Schemes Authority (the "Authority"), and Appendix E to the Code on Unit Trusts and Mutual Funds (the "UT Code") issued by the Securities and Futures Commission (the "SFC").

## **Independent auditor's report (continued)**

**To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund**

**(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

### **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 HKSA's 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 Sub-funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code and Guidelines II.5 issued by the Authority and the UT Code issued by the SFC.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism 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 Sub-funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and the Manager.
- Conclude on the appropriateness of the Trustee's and the Manager'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 Sub-funds' abilities 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 Sub-funds 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 unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund**

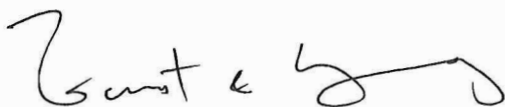
**(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

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

We communicate with those charged with governance 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 relevant disclosure provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code and Guidelines 11.5 issued by the Authority, and the disclosure requirements specified in the Appendix E to the UT Code issued by the SFC**

- (a) In our opinion, the financial statements have been properly prepared, in all material respect, in accordance with the relevant disclosure provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code and Guidelines 11.5 issued by the Authority and Appendix E to the UT Code issued by the SFC; and
- (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  
27 April 2022

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

Notes	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Income</b>											
Bank interest income	30	68,101	13,322	67,636	768	4,738	-	113,664	86,156	64,687	2,362
Fixed deposit interest income	-	-	-	-	-	8,206,831	-	-	-	-	-
Gross dividend income	-	132,369,435	100,689,184	89,560,307	-	-	270,968,452	-	48,701,300	-	75,848,158
Other income	-	-	-	4,362	-	-	-	-	219,970	-	197,562
	<u>30</u>	<u>132,437,536</u>	<u>100,702,506</u>	<u>89,632,305</u>	<u>768</u>	<u>8,211,569</u>	<u>270,968,452</u>	<u>113,664</u>	<u>49,007,426</u>	<u>64,687</u>	<u>76,048,082</u>
<b>Expenses</b>											
Auditor's remuneration	(4,911)	(71,672)	(65,890)	(28,640)	(120,064)	(38,351)	(161,869)	(64,621)	(33,321)	(31,335)	(46,972)
Bank charges	-	-	-	-	-	(6,070)	(800)	-	-	-	-
Distribution fees	-	-	-	-	-	-	(69,373)	-	-	-	-
Formation costs	5 (34,178)	-	-	-	-	-	-	-	-	-	-
Investment management fees	14(a) -	(538,434)	(16,846,875)	(196,249)	(16,475,995)	(708,726)	(17,390,419)	(5,134,629)	(4,680,078)	(11,271)	(7,742,106)
Investment transaction costs	6 (36,124)	(34,044,897)	(26,136,006)	(7,015,999)	(35,719)	(16,633)	(59,315,320)	(21,592)	(5,691,354)	(20,830)	(1,222,802)
Legal and other professional fees	(4,545)	(335,251)	(24)	(41,879)	(32)	(16)	(62)	(88,244)	(218,385)	(13)	(20)
Operating expenses	(8)	(28,539)	(95,086)	(40,694)	(189,187)	(42,824)	(146,417)	(56,655)	(53,766)	(13,378)	(26,208)
Sub-custodian fees	(47,470)	(2,072,403)	(1,525,326)	(349,070)	(897,874)	(359,801)	(1,648,802)	(596,677)	(516,279)	(308,014)	(30,805)
Trustee fees	14(b) -	(99,493)	(2,708,636)	(39,250)	(6,590,398)	(566,981)	(3,092,807)	(1,282,643)	(780,013)	(2,818)	(1,290,351)
	<u>(127,236)</u>	<u>(37,190,689)</u>	<u>(47,377,843)</u>	<u>(7,711,781)</u>	<u>(24,309,269)</u>	<u>(1,739,402)</u>	<u>(81,825,869)</u>	<u>(7,245,061)</u>	<u>(11,973,196)</u>	<u>(387,659)</u>	<u>(10,359,264)</u>
<b>Gains/(losses) on investments and exchange difference</b>											
Gains on investments	3 18,976,612	1,636,718,992	1,098,742,477	867,076,109	243,392,245	57,623,744	2,514,145,056	212,608,557	961,925,163	118,190,078	1,579,168,435
Losses on investments	3 (13,011,502)	(1,778,264,623)	(2,094,068,438)	(253,464,555)	(252,929,031)	(46,603,148)	(4,821,417,143)	(459,609,383)	(415,077,396)	(136,723,157)	(287,998,429)
Exchange gain/(loss)	12,651	(10,960,338)	(2,069,563)	(1,831,432)	(911,317)	110	(2,734,792)	(4,262,543)	(672,002)	128,881	(39,452)
	<u>5,977,761</u>	<u>(152,505,969)</u>	<u>(997,395,524)</u>	<u>611,780,122</u>	<u>(10,448,103)</u>	<u>11,020,706</u>	<u>(2,310,006,879)</u>	<u>(251,263,369)</u>	<u>546,175,765</u>	<u>(18,404,198)</u>	<u>1,291,130,554</u>
<b>Net income/(loss) before tax</b>		<b>5,850,555</b>	<b>(57,259,122)</b>	<b>(944,070,861)</b>	<b>693,700,646</b>	<b>(34,756,604)</b>	<b>17,492,873</b>	<b>(2,120,864,296)</b>	<b>583,209,995</b>	<b>(18,727,170)</b>	<b>1,356,819,372</b>
Taxation	9 -	(29,521,719)	(6,519,054)	(12,635,229)	-	-	(11,814,177)	(345,888)	(8,482,911)	-	(21,735,024)
<b>Net income/(loss) for the year</b>	12	<u>5,850,555</u>	<u>(86,780,841)</u>	<u>(950,589,915)</u>	<u>681,065,417</u>	<u>(34,756,604)</u>	<u>17,492,873</u>	<u>(2,132,678,473)</u>	<u>(258,740,654)</u>	<u>(18,727,170)</u>	<u>1,335,084,348</u>
Distributions to unitholders	12,13 -	-	(930,190)	-	(21,336,552)	-	(1,126,466)	-	-	-	-
<b>Increase/(decrease) in net assets attributable to unitholders</b>		<u>5,850,555</u>	<u>(86,780,841)</u>	<u>(951,520,105)</u>	<u>681,065,417</u>	<u>(56,093,156)</u>	<u>17,492,873</u>	<u>(2,133,804,939)</u>	<u>(258,740,654)</u>	<u>(18,727,170)</u>	<u>1,335,084,348</u>

# PRINCIPAL LIFE STYLE FUND

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

Year ended 31 December 2021

Notes	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Income</b>											
Bank interest income	529	39,245	647	41,994	810	33,313	-	56,774	74,027	94,246	19,082
Fixed deposit interest income	-	-	-	-	-	25,789,253	-	-	-	-	-
Gross dividend income	-	122,774,368	117,873,876	21,412,395	-	-	302,146,482	-	50,037,201	-	55,075,841
Other income	-	-	-	285,012	-	-	-	-	252,248	-	76,708
	<u>529</u>	<u>122,813,613</u>	<u>117,874,523</u>	<u>21,739,401</u>	<u>810</u>	<u>25,822,566</u>	<u>302,146,482</u>	<u>56,774</u>	<u>50,363,476</u>	<u>94,246</u>	<u>55,171,631</u>
<b>Expenses</b>											
Auditor's remuneration	(1,058)	(59,891)	(58,113)	(11,224)	(114,602)	(39,664)	(141,648)	(60,274)	(41,888)	(30,078)	(29,933)
Bank charges	-	(300)	(300)	(300)	(300)	(6,630)	(300)	(300)	(600)	(300)	(400)
Distribution fees	-	-	-	-	-	-	(16,548)	-	-	-	-
Formation costs	5 (12,700)	-	-	-	-	-	-	-	-	-	-
Investment management fees	14(a) -	(418,606)	(14,685,483)	(99,801)	(15,189,068)	(592,424)	(15,183,078)	(4,586,596)	(4,155,864)	-	(705,211)
Investment transaction costs	6 (23,663)	(17,152,787)	(22,835,517)	(4,660,710)	(28,682)	(17,459)	(54,681,015)	(38,075)	(6,710,787)	(33,346)	(2,047,643)
Legal and other professional fees	-	(235,809)	(20,984)	(55,768)	(25,568)	(15,099)	(35,774)	(117,293)	(198,826)	(17,473)	(17,442)
Operating expenses	-	(14,355)	(80,605)	(6,738)	(258,085)	(117,964)	(120,611)	(127,041)	(71,542)	(95,469)	(13,746)
Sub-custodian fees	(7,843)	(1,500,185)	(1,290,547)	(136,203)	(770,702)	(319,492)	(1,459,369)	(486,177)	(515,506)	(259,190)	(20,659)
Trustee fees	14(b) -	(77,240)	(2,354,808)	(19,960)	(6,075,627)	(473,939)	(2,691,565)	(1,145,481)	(692,644)	-	(117,535)
	<u>(45,264)</u>	<u>(19,459,173)</u>	<u>(41,326,357)</u>	<u>(4,990,704)</u>	<u>(22,462,634)</u>	<u>(1,582,671)</u>	<u>(74,329,908)</u>	<u>(6,561,237)</u>	<u>(12,387,657)</u>	<u>(435,856)</u>	<u>(2,952,569)</u>
<b>Gains/(losses) on investments and exchange difference</b>											
Gains on investments	3 5,504,104	1,933,367,472	1,858,160,935	433,480,124	505,367,557	69,791,460	4,390,258,168	513,388,799	1,172,365,754	245,615,258	960,413,465
Losses on investments	3 (2,152,223)	(667,978,749)	(915,736,435)	(129,258,578)	(46,371,565)	(12,551,870)	(2,350,533,474)	(96,028,417)	(674,919,104)	(49,563,909)	(480,033,113)
Exchange gain/(loss)	(110,219)	(8,217,280)	(454,623)	(13,134,570)	(1,624,454)	-	(1,992,397)	1,854,874	(2,112,694)	(375,283)	(363,415)
	<u>3,241,662</u>	<u>1,257,171,443</u>	<u>941,969,877</u>	<u>291,086,976</u>	<u>457,371,538</u>	<u>57,239,590</u>	<u>2,037,732,297</u>	<u>419,215,256</u>	<u>495,333,956</u>	<u>195,676,066</u>	<u>480,016,937</u>
<b>Net income before tax</b>											
	3,196,927	1,360,525,883	1,018,518,043	307,835,673	434,909,714	81,479,485	2,265,548,871	412,710,793	533,309,775	195,334,456	532,235,999
Taxation	9 -	(21,260,849)	(7,580,299)	(3,096,752)	-	-	(14,386,025)	(130,735)	(9,783,341)	(2,390)	(17,428,473)
<b>Net income for the year</b>	12	<u>3,196,927</u>	<u>1,339,265,034</u>	<u>1,010,937,744</u>	<u>304,738,921</u>	<u>81,479,485</u>	<u>2,251,162,846</u>	<u>412,580,058</u>	<u>523,526,434</u>	<u>195,332,066</u>	<u>514,807,526</u>
Distributions to unitholders	12, 13	-	-	(1,760,306)	-	(19,421,603)	-	(1,955,164)	-	-	-
<b>Increase in net assets attributable to unitholders</b>		<u>3,196,927</u>	<u>1,339,265,034</u>	<u>1,009,177,438</u>	<u>304,738,921</u>	<u>415,488,111</u>	<u>81,479,485</u>	<u>2,249,207,682</u>	<u>412,580,058</u>	<u>523,526,434</u>	<u>514,807,526</u>



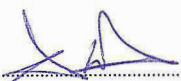
# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

31 December 2021

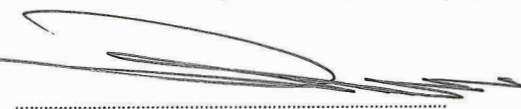
		2021										
	Notes	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Assets												
Investments measured at fair value through profit or loss	4	482,149,880	6,458,930,582	4,916,693,363	4,298,131,552	6,537,926,905	2,447,057,146	12,755,351,495	5,776,261,574	4,252,401,801	2,493,905,681	6,201,438,826
Derivative financial instruments		-	-	-	401,049	-	-	-	-	-	-	-
Interest and dividend receivables	7	3,603,791	4,466,988	859,356	1,311,908	49,105,815	18,848,316	3,134,372	40,551,695	2,406,416	19,369,779	3,350,549
Amounts receivable from brokers		-	36,227,965	27,484,626	3,983,009	-	-	68,903,185	-	491,606	-	-
Amounts receivable on subscriptions		418,637	1,847,138	3,349,618	376,634	12,744,320	2,755,803	11,111,741	2,724,803	3,190,222	418,051	7,896,657
Cash at banks	8	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	1,149,566,050	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953
Formation costs	5	123,984	-	-	-	-	-	-	-	-	-	-
		<u>511,856,086</u>	<u>6,720,271,936</u>	<u>5,123,062,606</u>	<u>4,404,804,659</u>	<u>6,816,282,890</u>	<u>3,618,227,315</u>	<u>13,126,758,070</u>	<u>6,031,332,313</u>	<u>4,412,706,180</u>	<u>2,613,488,172</u>	<u>6,289,594,985</u>
Liabilities												
Derivative financial instruments		52,017	-	-	11,815,856	-	-	-	1,902,408	-	-	-
Amounts payable to brokers		-	49,381,764	28,675,638	-	-	-	71,978,211	-	113,882	-	3,118,303
Amounts payable on redemptions		1,106,508	3,364,411	2,421,325	43,037	3,368,639	3,264,813	5,804,473	993,517	1,863,203	889,582	9,262,179
Distribution payables		-	-	34,074	-	5,073,816	-	87,390	-	-	-	-
Accrual and other payables		184,493	627,125	2,008,816	113,667	2,806,413	289,691	2,269,315	725,174	861,013	82,952	963,873
		<u>1,343,018</u>	<u>53,373,300</u>	<u>33,139,853</u>	<u>11,972,560</u>	<u>11,248,868</u>	<u>3,554,504</u>	<u>80,139,389</u>	<u>3,621,099</u>	<u>2,838,098</u>	<u>972,534</u>	<u>13,344,355</u>
Net assets attributable to unitholders		<u>510,513,068</u>	<u>6,666,898,636</u>	<u>5,089,922,753</u>	<u>4,392,832,099</u>	<u>6,805,034,022</u>	<u>3,614,672,811</u>	<u>13,046,618,681</u>	<u>6,027,711,214</u>	<u>4,409,868,082</u>	<u>2,612,515,638</u>	<u>6,276,250,630</u>

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

  
.....  
Director

  
.....  
Director

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

  
.....  
Director

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

31 December 2021

		2020										
	Notes	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Assets</b>												
Investments measured at fair value through profit or loss	4	271,078,160	6,545,516,260	5,199,838,609	2,605,690,756	6,768,385,111	2,280,967,502	13,590,042,446	5,711,633,513	3,016,013,203	2,788,958,747	4,270,981,306
Derivative financial instruments		-	-	-	24,500	-	-	-	-	-	-	-
Interest and dividend receivables	7	2,199,132	3,139,024	1,778,275	753,497	54,521,050	33,695,580	2,996,925	44,402,320	2,172,341	20,239,691	2,206,063
Amounts receivable from brokers		-	35,493,018	29,158,183	13,658,062	-	-	80,953,902	-	743,525	-	-
Amounts receivable on subscriptions		486,964	1,377,248	9,964,647	30,000,040	22,981,753	2,697,648	4,109,807	745,625	903,845	289,335	2,668,867
Cash at banks	8	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	1,244,116,571	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
Formation costs	5	158,162	-	-	-	-	-	-	-	-	-	-
		<u>290,130,320</u>	<u>6,689,443,106</u>	<u>5,348,790,492</u>	<u>2,703,308,478</u>	<u>7,010,773,750</u>	<u>3,561,477,301</u>	<u>13,853,383,177</u>	<u>5,999,297,494</u>	<u>3,093,727,605</u>	<u>2,907,941,451</u>	<u>4,361,428,042</u>
<b>Liabilities</b>												
Derivative financial instruments		21,517	-	-	10,426,204	-	-	-	2,060,997	-	-	-
Amounts payable to brokers		-	37,249,077	17,422,840	35,206,414	-	-	32,281,767	-	558,297	-	-
Amounts payable on redemptions		220,239	1,440,583	7,173,581	32,681	11,928,723	3,893,474	4,924,026	2,208,621	453,352	894,034	2,467,434
Distribution payables		-	-	7,274	-	5,125,148	-	79,065	-	-	-	-
Accrual and other payables		182,112	610,964	2,185,237	87,579	3,053,437	234,182	2,659,518	722,424	771,237	35,312	615,352
		<u>423,868</u>	<u>39,300,624</u>	<u>26,788,932</u>	<u>45,752,878</u>	<u>20,107,308</u>	<u>4,127,656</u>	<u>39,944,376</u>	<u>4,992,042</u>	<u>1,782,886</u>	<u>929,346</u>	<u>3,082,786</u>
<b>Net assets attributable to unitholders</b>		<u>289,706,452</u>	<u>6,650,142,482</u>	<u>5,322,001,560</u>	<u>2,657,555,600</u>	<u>6,990,666,442</u>	<u>3,557,349,645</u>	<u>13,813,438,801</u>	<u>5,994,305,452</u>	<u>3,091,944,719</u>	<u>2,907,012,105</u>	<u>4,358,345,256</u>

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2021

		2021										
Notes		Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Balance brought forward</b>		289,706,452	6,650,142,482	5,322,001,560	2,657,555,600	6,990,666,442	3,557,349,645	13,813,438,801	5,994,305,452	3,091,944,719	2,907,012,105	4,358,345,256
Amounts received and receivable on issue of units		374,246,433	1,548,615,280	2,585,415,935	1,311,667,861	1,416,962,115	1,959,834,660	3,988,812,961	1,206,845,264	2,078,387,034	336,301,068	2,276,848,213
Amounts paid and payable on redemptions of units		(159,290,372)	(1,445,078,285)	(1,865,974,637)	(257,456,779)	(1,546,501,379)	(1,920,004,367)	(2,621,828,142)	(914,698,848)	(1,335,190,755)	(612,070,365)	(1,694,027,187)
Increase/(decrease) in net assets attributable to unitholders	12	5,850,555	(86,780,841)	(951,520,105)	681,065,417	(56,093,156)	17,492,873	(2,133,804,939)	(258,740,654)	574,727,084	(18,727,170)	1,335,084,348
<b>Net assets carried forward</b>		<u>510,513,068</u>	<u>6,666,898,636</u>	<u>5,089,922,753</u>	<u>4,392,832,099</u>	<u>6,805,034,022</u>	<u>3,614,672,811</u>	<u>13,046,618,681</u>	<u>6,027,711,214</u>	<u>4,409,868,082</u>	<u>2,612,515,638</u>	<u>6,276,250,630</u>
<b>Units in issue</b>												
At the beginning of the year												
- Pension class	10	28,690,269.7925	94,068,675.7033	159,486,438.7861	129,197,113.9353	289,927,401.1395	236,994,113.2880	234,192,848.1743	270,637,770.7779	61,839,071.2759	143,807,881.7591	86,706,558.3507
- Retail class	10	-	538,055.9317	28,278,992.2489	-	192,322,247.7795	20,895,551.6348	20,026,680.0073	166,790.2112	12,165,986.8014	-	16,708,803.3905
- Investment class	10	-	664,409.4165	34,404,539.4316	1,046,220.2105	-	-	13,262,266.2257	38,276,929.6835	-	-	-
- I6 class	10	-	-	-	-	-	-	-	-	-	-	-
- R6 class	10	-	-	3,463,941.6350	-	86,427,460.0740	-	6,275,020.8594	-	-	-	-
- R2 class	10	-	-	-	-	-	-	526,024.5742	-	-	-	-
Units issued												
- Pension class	10	37,267,891.4136	21,088,427.6402	85,614,095.7811	57,857,429.6570	47,151,720.2348	131,187,926.8699	68,280,037.4981	52,897,827.1077	41,340,322.9649	16,636,207.1436	39,189,419.7465
- Retail class	10	-	58,798.3050	10,097,732.1403	-	42,845,230.3121	10,317,896.3496	6,134,935.1063	72.6878	937,024.8704	-	9,081,424.7668
- Investment class	10	-	102,589.8153	5,499,756.8415	68,136.7443	-	-	2,691,089.1829	11,937,429.7552	-	233,473.7094	-
- I6 class	10	-	-	-	-	-	-	-	-	-	-	-
- R6 class	10	-	-	8,371,541.5879	-	28,969,990.0381	-	1,424,314.3104	-	-	-	-
- R2 class	10	-	-	-	-	-	-	719,193.6933	-	-	-	-
Units redeemed												
- Pension class	10	(15,781,472.8869)	(19,689,805.3317)	(63,996,455.5032)	(10,766,834.0891)	(60,138,854.7224)	(135,361,479.3876)	(43,648,903.1237)	(41,005,199.3937)	(26,036,260.5338)	(30,570,244.7939)	(31,793,114.1493)
- Retail class	10	-	(51,785.6228)	(5,344,995.6979)	-	(41,134,565.4557)	(2,413,933.8946)	(4,803,259.6807)	(28,414.3336)	(3,196,407.8186)	-	(1,570,150.6617)
- Investment class	10	-	(74,150.7153)	(3,819,540.6561)	(133,488.7897)	-	-	(1,249,595.8038)	(7,868,847.2241)	-	-	-
- I6 class	10	-	-	-	-	-	-	-	-	-	-	-
- R6 class	10	-	-	(5,750,904.4887)	-	(27,003,435.5722)	-	(2,203,080.7656)	-	-	-	-
- R2 class	10	-	-	-	-	-	-	(205,688.0773)	-	-	-	-
At the end of the year												
- Pension class	10	50,176,688.3192	95,467,298.0118	181,104,079.0640	176,287,709.5032	276,940,266.6519	232,820,560.7703	258,823,982.5487	282,530,398.4919	77,143,133.7070	129,873,844.1088	94,102,863.9479
- Retail class	10	-	545,068.6139	33,031,728.6913	-	194,032,912.6359	28,799,514.0898	21,358,355.4329	138,448.5654	9,906,603.8532	-	24,220,077.4956
- Investment class	10	-	692,848.5165	36,084,755.6170	980,868.1651	-	-	14,703,759.6048	42,345,512.2146	-	233,473.7094	-
- I6 class	10	-	-	-	-	-	-	-	-	-	-	-
- R6 class	10	-	-	6,084,578.7342	-	88,394,014.5399	-	5,496,254.4042	-	-	-	-
- R2 class	10	-	-	-	-	-	-	1,039,530.1902	-	-	-	-

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

Year ended 31 December 2021

Notes	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Balance brought forward</b>	-	5,235,365,713	4,261,880,091	981,275,888	6,387,600,511	3,461,792,218	11,140,250,234	5,269,171,769	3,662,302,047	2,629,861,170	2,620,246,468
Amounts received and receivable on issue of units	299,528,325	1,122,072,261	1,898,016,251	1,481,127,350	2,106,211,996	2,109,774,365	3,928,609,360	1,356,621,686	697,520,789	577,382,602	2,522,477,600
Amounts paid and payable on redemptions of units	(13,018,800)	(1,046,560,526)	(1,847,072,220)	(109,586,559)	(1,918,634,176)	(2,095,696,423)	(3,504,628,475)	(1,044,068,061)	(1,791,404,551)	(495,563,733)	(1,299,186,338)
Increase in net assets attributable to unitholders	12 3,196,927	1,339,265,034	1,009,177,438	304,738,921	415,488,111	81,479,485	2,249,207,682	412,580,058	523,526,434	195,332,066	514,807,526
<b>Net assets carried forward</b>	<u>289,706,452</u>	<u>6,650,142,482</u>	<u>5,322,001,560</u>	<u>2,657,555,600</u>	<u>6,990,666,442</u>	<u>3,557,349,645</u>	<u>13,813,438,801</u>	<u>5,994,305,452</u>	<u>3,091,944,719</u>	<u>2,907,012,105</u>	<u>4,358,345,256</u>
<b>Units in issue</b>											
At the beginning of the year											
- Pension class	10 -	93,119,876.0051	150,340,891.7258	55,897,635.1800	299,345,173.2330	237,118,657.4542	218,659,593.1751	254,251,583.4139	90,092,652.8786	139,837,484.4354	64,880,494.3149
- Retail class	10 -	547,817.6701	33,452,745.9285	-	174,531,861.5300	19,712,379.7354	23,232,199.1533	278,684.0958	12,565,803.1966	-	526,813.6674
- Investment class	10 -	595,211.0522	35,262,772.9124	455,189.0583	-	-	12,995,904.0672	39,328,395.8633	-	-	-
- I6 class	10 -	-	-	-	-	-	-	-	-	-	-
- R6 class	10 -	-	6,202,516.6915	-	78,481,367.2245	-	8,243,373.1203	-	-	-	-
- R2 class	10 -	-	-	-	-	-	228,094.0397	-	-	-	-
Units issued											
- Pension class	10 29,986,238.9007	19,912,702.5754	75,795,353.4582	79,292,613.2844	83,645,211.1205	144,500,312.0010	84,272,281.3946	62,949,603.2303	18,257,198.8730	29,965,172.6651	55,422,395.5628
- Retail class	10 -	12,265.3272	8,825,356.0949	-	53,442,641.6274	9,649,923.6564	4,580,038.6704	46,472.3669	2,134,795.1801	-	16,254,131.1426
- Investment class	10 -	107,390.3404	4,942,506.3401	601,136.2076	-	-	1,913,886.1353	10,020,904.0882	-	-	-
- I6 class	10 -	-	-	-	-	-	-	-	-	-	-
- R6 class	10 -	-	5,811,544.4000	-	39,624,817.0532	-	2,569,827.1141	-	-	-	-
- R2 class	10 -	-	-	-	-	-	538,578.0222	-	-	-	-
Units redeemed											
- Pension class	10 (1,295,969.1082)	(18,963,902.8772)	(66,649,806.3979)	(5,993,134.5291)	(93,062,983.2140)	(144,624,856.1672)	(68,739,026.3954)	(46,563,415.8663)	(46,510,780.4757)	(25,994,775.3414)	(33,596,331.5270)
- Retail class	10 -	(22,027.0656)	(13,999,109.7745)	-	(35,652,255.3779)	(8,466,751.7570)	(7,785,557.8164)	(158,366.2515)	(2,534,611.5753)	-	(72,141.4195)
- Investment class	10 -	(38,191.9761)	(5,800,739.8209)	(10,105.0554)	-	-	(1,647,523.9768)	(11,072,370.2680)	-	-	-
- I6 class	10 -	-	-	-	-	-	-	-	-	-	-
- R6 class	10 -	-	(8,550,119.4565)	-	(31,678,724.2037)	-	(4,538,179.3750)	-	-	-	-
- R2 class	10 -	-	-	-	-	-	(240,647.4877)	-	-	-	-
At the end of the year											
- Pension class	10 28,690,269.7925	94,068,675.7033	159,486,438.7861	129,197,113.9353	289,927,401.1395	236,994,113.2880	234,192,848.1743	270,637,770.7779	61,839,071.2759	143,807,881.7591	86,706,558.3507
- Retail class	10 -	538,055.9317	28,278,992.2489	-	192,322,247.7795	20,895,551.6348	20,026,680.0073	166,790.2112	12,165,986.8014	-	16,708,803.3905
- Investment class	10 -	664,409.4165	34,404,539.4316	1,046,220.2105	-	-	13,262,266.2257	38,276,929.6835	-	-	-
- I6 class	10 -	-	-	-	-	-	-	-	-	-	-
- R6 class	10 -	-	3,463,941.6350	-	86,427,460.0740	-	6,275,020.8594	-	-	-	-
- R2 class	10 -	-	-	-	-	-	526,024.5742	-	-	-	-

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Cash flows from operating activities</b>											
Dividend received, net of withholding tax	-	108,677,276	95,089,049	76,366,667	-	-	259,016,828	-	40,016,739	-	52,968,648
Interest received, net of withholding tax	11,263,608	68,101	13,322	67,636	169,839,450	74,274,506	-	140,628,500	86,156	79,599,314	2,362
Other income received	-	-	-	4,362	-	-	-	-	219,970	-	197,562
Operating expenses paid	(90,677)	(37,174,528)	(47,554,264)	(7,685,693)	(24,556,293)	(1,683,893)	(82,216,072)	(7,242,311)	(11,874,224)	(340,019)	(10,010,743)
Capital gain tax paid	-	(7,157,524)	-	-	-	-	-	-	(41,621)	-	-
Exchange gain/(loss)	12,651	(10,960,338)	(2,069,563)	(1,831,432)	(911,317)	110	(2,734,792)	(4,262,543)	(672,002)	128,881	(39,452)
Net deposits with maturity over 3 months placed at banks	-	-	-	-	-	325,754,368	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<u>11,185,582</u>	<u>53,452,987</u>	<u>45,478,544</u>	<u>66,921,540</u>	<u>144,371,840</u>	<u>398,345,091</u>	<u>174,065,964</u>	<u>129,123,646</u>	<u>27,735,018</u>	<u>79,388,176</u>	<u>43,118,377</u>
<b>Cash flows from investing activities</b>											
Purchase of investment securities	(699,682,724)	(9,639,417,446)	(6,731,467,465)	(2,523,010,856)	(3,631,812,733)	(1,935,942,272)	(14,648,335,704)	(2,200,224,237)	(2,897,736,609)	(705,720,516)	(4,327,724,418)
Proceeds from sale of investment Securities	<u>481,938,377</u>	<u>9,595,855,233</u>	<u>6,032,213,106</u>	<u>1,419,663,356</u>	<u>3,688,310,706</u>	<u>1,729,657,551</u>	<u>13,227,501,729</u>	<u>1,751,426,662</u>	<u>2,208,003,282</u>	<u>903,575,788</u>	<u>3,691,555,207</u>
<b>Net cash flows from/(used in) investing activities</b>	<u>(217,744,347)</u>	<u>(43,562,213)</u>	<u>(699,254,359)</u>	<u>(1,103,347,500)</u>	<u>56,497,973</u>	<u>(206,284,721)</u>	<u>(1,420,833,975)</u>	<u>(448,797,575)</u>	<u>(689,733,327)</u>	<u>197,855,272</u>	<u>(636,169,211)</u>
<b>Cash flows from financing activities</b>											
Subscriptions received	374,314,760	1,548,145,390	2,592,030,964	1,341,291,267	1,427,199,548	1,959,776,505	3,981,811,027	1,204,866,086	2,076,100,657	336,172,352	2,271,620,423
Redemptions paid	(158,404,103)	(1,443,154,457)	(1,870,726,893)	(257,446,423)	(1,555,061,463)	(1,920,633,028)	(2,620,947,695)	(915,913,952)	(1,333,780,904)	(612,074,817)	(1,687,232,442)
Distribution paid	-	-	(903,391)	-	(21,387,884)	-	(1,118,141)	-	-	-	-
<b>Net cash flows from/(used in) financing activities</b>	<u>215,910,657</u>	<u>104,990,933</u>	<u>720,400,680</u>	<u>1,083,844,844</u>	<u>(149,249,799)</u>	<u>39,143,477</u>	<u>1,359,745,191</u>	<u>288,952,134</u>	<u>742,319,753</u>	<u>(275,902,465)</u>	<u>584,387,981</u>

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CASH FLOWS (continued)

Year ended 31 December 2021

	2021 (continued)										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Net increase/(decrease) in cash and cash equivalents</b>	9,351,892	114,881,707	66,624,865	47,418,884	51,620,014	231,203,847	112,977,180	(30,721,795)	80,321,444	1,340,983	(8,662,853)
<b>Cash and cash equivalents at beginning of year</b>	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	26,113,848	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
<b>Cash and cash equivalents at end of year</b>	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	257,317,695	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953
<b>Analysis of balances of cash and cash equivalents:</b>											
Cash at banks	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	1,149,566,050	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953
Less: Bank deposits with maturity over 3 months	-	-	-	-	-	(892,248,355)	-	-	-	-	-
	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	257,317,695	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CASH FLOWS (continued)

Year ended 31 December 2021

	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Cash flows from operating activities</b>											
Dividend received, net of withholding tax	-	103,554,557	108,515,302	18,131,723	-	-	284,763,532	-	41,441,850	-	37,032,287
Interest received, net of withholding tax	2,235,457	39,245	647	41,994	158,602,458	75,290,336	-	121,700,939	74,027	80,922,714	19,082
Other income received	-	-	-	285,012	-	-	-	-	252,248	-	76,708
Operating expenses paid	(21,314)	(19,437,430)	(41,092,996)	(4,975,946)	(21,961,328)	(1,551,213)	(74,091,680)	(6,493,193)	(12,284,761)	(435,785)	(2,391,218)
Capital gain tax paid	-	(2,348,952)	-	-	-	-	-	-	(4,114)	-	-
Exchange gain/(loss)	(110,219)	(8,217,280)	(454,623)	(13,134,570)	(1,624,454)	-	(1,992,397)	1,854,874	(2,112,694)	(375,283)	(363,415)
Net deposits with maturity over 3 months placed at banks	-	-	-	-	-	15,326,679	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<u>2,103,924</u>	<u>73,590,140</u>	<u>66,968,330</u>	<u>348,213</u>	<u>135,016,676</u>	<u>89,065,802</u>	<u>208,679,455</u>	<u>117,062,620</u>	<u>27,366,556</u>	<u>80,111,646</u>	<u>34,373,444</u>
<b>Cash flows from investing activities</b>											
Purchase of investment securities	(361,204,341)	(5,571,134,384)	(5,832,978,373)	(1,900,206,262)	(3,006,667,382)	(1,737,015,797)	(14,536,195,077)	(1,424,409,219)	(2,953,553,128)	(1,474,560,704)	(4,395,314,514)
Proceeds from sale of investment securities	<u>89,065,519</u>	<u>5,412,826,640</u>	<u>5,767,848,153</u>	<u>579,172,275</u>	<u>2,836,630,110</u>	<u>1,629,545,611</u>	<u>13,675,349,740</u>	<u>954,327,016</u>	<u>4,023,178,080</u>	<u>1,310,231,476</u>	<u>3,126,292,577</u>
<b>Net cash flows from/(used in) investing activities</b>	<u>(272,138,822)</u>	<u>(158,307,744)</u>	<u>(65,130,220)</u>	<u>(1,321,033,987)</u>	<u>(170,037,272)</u>	<u>(107,470,186)</u>	<u>(860,845,337)</u>	<u>(470,082,203)</u>	<u>1,069,624,952</u>	<u>(164,329,228)</u>	<u>(1,269,021,937)</u>
<b>Cash flows from financing activities</b>											
Subscriptions received	299,041,361	1,121,942,324	1,890,120,601	1,451,130,713	2,093,366,569	2,111,135,552	3,930,607,284	1,357,696,159	698,189,051	577,732,980	2,523,491,359
Redemptions paid	(12,798,561)	(1,047,202,768)	(1,844,636,437)	(109,580,726)	(1,912,654,936)	(2,101,808,478)	(3,509,539,113)	(1,043,648,480)	(1,791,838,537)	(495,216,759)	(1,297,140,370)
Distribution paid	-	-	(1,814,437)	-	(19,154,452)	-	(2,160,495)	-	-	-	-
<b>Net cash flows from/(used in) financing activities</b>	<u>286,242,800</u>	<u>74,739,556</u>	<u>43,669,727</u>	<u>1,341,549,987</u>	<u>161,557,181</u>	<u>9,327,074</u>	<u>418,907,676</u>	<u>314,047,679</u>	<u>(1,093,649,486)</u>	<u>82,516,221</u>	<u>1,226,350,989</u>

# PRINCIPAL LIFE STYLE FUND

## STATEMENT OF CASH FLOWS (continued)

Year ended 31 December 2021

	2020 (continued)										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Net increase/(decrease) in cash and cash equivalents</b>	16,207,902	(9,978,048)	45,507,837	20,864,213	126,536,585	(9,077,310)	(233,258,206)	(38,971,904)	3,342,022	(1,701,361)	(8,297,504)
<b>Cash and cash equivalents at beginning of year</b>	-	113,895,604	62,542,941	32,317,410	38,349,251	35,191,158	408,538,303	281,487,940	70,552,669	100,155,039	93,869,310
<b>Cash and cash equivalents at end of year</b>	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	26,113,848	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
<b>Analysis of balances of cash and cash equivalents:</b>											
Cash at banks	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	1,244,116,571	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
Less: Bank deposits with maturity over 3 months	-	-	-	-	-	(1,218,002,723)	-	-	-	-	-
	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	26,113,848	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806



# PRINCIPAL MPF FUND SERIES

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 1. PRINCIPAL LIFE STYLE FUND

Principal Life Style Fund (the "Fund") is an umbrella unit trust established under the laws of Hong Kong pursuant to a Trust Deed dated 7 May 2003, as subsequently amended (the "Trust Deed") with Principal Trust Company (Asia) Limited as trustee (the "Trustee"). There are eleven Sub-funds (each a separate sub-fund of the Fund and referred to individually the "Sub-fund" or collectively as the "Sub-funds") established under the Fund during the year with the first dealing date as stated below:

	First dealing date					
	Retail class	Pension class	Investment class	I6 class	R6 class	R2 class
Principal Asian Bond Fund	-	17 August 2020	-	-	-	-
Principal Asian Equity Fund	3 July 2003	3 July 2003	20 January 2006	31 December 2015	-	-
Principal China Equity Fund	29 June 2007	29 June 2007	11 June 2008	-	26 January 2015	-
Principal European Equity Fund	-	4 August 2008	4 August 2008	31 December 2015	-	-
Principal Hong Kong Bond Fund	14 October 2011	22 June 2011	-	-	26 January 2015	-
Principal Hong Kong Dollar Savings Fund	3 July 2003	3 July 2003	-	-	-	-
Principal Hong Kong Equity Fund	2 November 2005	2 November 2005	2 December 2005	27 May 2014	26 January 2015	10 February 2017
Principal International Bond Fund	3 July 2003	3 July 2003	18 January 2006	-	-	-
Principal International Equity Fund	3 July 2003	3 July 2003	-	31 December 2015	-	-
Principal Pension Bond Fund	-	5 December 2008	25 May 2021	-	-	-
Principal U.S. Equity Fund	3 July 2003	3 July 2003	18 January 2006	-	-	-

The Sub-funds are authorised by the Securities and Futures Commission ("SFC") under section 104 of the Hong Kong Securities and Futures Ordinance. All Sub-funds are approved pooled investment funds ("APIFs") under section 6(1) of the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"). They are governed by the Code on Unit Trusts and Mutual Funds (the "UT Code") issued by SFC, Mandatory Provident Fund Schemes Ordinance (the "Ordinance"), the General Regulation, the Code on MPF Investment Funds (the "MPF Code"), and other relevant guidelines (the "MPF Guidelines") issued by the Hong Kong Mandatory Provident Fund Schemes Authority (the "Authority").

The Sub-funds can offer six different classes of units, namely, Investment, I6, Pension, Retail, R6 and R2 Class Units. Investment Class Units are available for issue to any collective investment scheme, registered schemes or approved pooled investment fund under the Ordinance, occupational retirement schemes or other institutional investor, to which the Pension Class Units are not made available. I6 Class Units are available to registered schemes or approved pooled investment funds under the Ordinance or occupational retirement schemes for which the Manager has offered a special management fee structure. Pension Class Units are available to registered schemes or approved pooled investment funds under the Ordinance or occupational retirement schemes, which are managed by Principal Asset Management Company (Asia) Limited (the "Manager"). Retail, R6 and R2 Class Units are available to retail investors and any other investors to which the Pension Class Units, I6 Class Units and Investment Class Units are not made available.

## PRINCIPAL MPF FUND SERIES

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code, the MPF Guidelines, and the relevant disclosure requirements of the UT Code.

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 HKFRSs requires the Trustee and the Manager of the Sub-funds 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.

#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-funds has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>

PRINCIPAL MPF FUND SERIES

NOTES TO FINANCIAL STATEMENTS

31 December 2021

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendments did not have any impact on the financial position and performance of the Sub-funds as the Sub-funds do not have any interest-bearing bank borrowings or other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 31 December 2021.
- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendments did not have any impact on the financial position and performance of the Sub-funds.

PRINCIPAL MPF FUND SERIES

NOTES TO FINANCIAL STATEMENTS

31 December 2021

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Sub-funds have not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework<sup>1</sup></i>
Amendments to HKFRS 10,	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
And HKAS 28 (2011)	<i>Insurance Contracts<sup>2</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current<sup>2,4</sup></i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies<sup>2</sup></i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates<sup>2</sup></i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction<sup>2</sup></i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use<sup>1</sup></i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract<sup>1</sup></i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> No mandatory effective date yet determined but available for adoption

<sup>4</sup> As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

Further information about those HKFRSs that are expected to be applicable to the Sub-funds are described below.

## PRINCIPAL MPF FUND SERIES

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

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

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Sub-funds' financial statements.

Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Sub-funds are currently assessing the impact of the amendments on the Sub-funds' accounting policy disclosures.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Sub-funds' financial statements.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

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

*Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Sub-funds are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Sub-funds' financial statements.

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Fair value measurement

The Sub-funds measure their 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 Sub-funds. 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 Sub-funds use valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 Sub-funds determine 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 Sub-funds' business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Sub-funds have applied the practical expedient of not adjusting the effect of a significant financing component, the Sub-funds initially measure 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.

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investments and other financial assets (continued)

##### *Initial recognition and measurement (continued)*

The Sub-funds' 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.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Sub-funds commit to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *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 solely payments of principal and interest 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 financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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

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

The Sub-funds 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.



## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investments and other financial assets (continued)

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

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 Sub-funds recognise 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 Sub-funds expect 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 Sub-funds assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Sub-funds compare 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 Sub-funds consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Sub-funds may also consider a financial asset to be in default when internal or external information indicates that the Sub-funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Sub-funds. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial assets (continued)

###### *General approach (continued)*

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 Sub-funds hold 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 expected credit losses (ECL) under HKFRS 9 to all its trade receivables. Therefore the Sub-funds do not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Sub-funds' 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 Sub-funds use provision matrix as a practical expedient to measuring 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 Sub-funds' statement of net assets available for benefits) when:

- the rights to receive cash flows from the asset have expired; or
- the Sub-fund 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 Sub-fund has transferred substantially all the risks and rewards of the asset, or (b) the Sub-fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-fund 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 Sub-fund continues to recognise the transferred asset to the extent of the Sub-fund's continuing involvement in the asset. In that case, the Sub-fund 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 Sub-fund has retained.

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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 Sub-funds' financial liabilities include derivative financial instruments, amounts payable to brokers, amounts payable on redemptions, and accrual 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.

##### Derivative financial instruments

The Sub-funds use derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Sub-funds' cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

##### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Sub-funds 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 comprehensive income. Interest income on debt securities is included in gains on investments.
- (b) Dividend income is recognised when the Sub-funds' right to receive payment has been established. Dividend income relating to exchange-traded equity investments is recognised in profit or loss on the ex-dividend date.

In some cases, the Sub-funds may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Sub-funds recognise the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment. Income distributions from private equity investments and other investment funds are recognised in profit or loss as dividend 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 Sub-funds 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.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Sub-funds 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 Sub-funds;
  - (ii) has significant influence over the Sub-funds;
  - (iii) is a member of the key management personnel of the Sub-funds or of a parent of the Sub-funds;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-funds 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 Sub-funds 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 Sub-funds or an entity related to the Sub-funds;
  - (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 Sub-funds of which it is a part, provides key management personnel services to the Sub-funds or to the parent of the Sub-funds.

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Taxation

Taxation comprises current tax. Taxation relating to items recognised outside profit or loss is recognised outside profit or loss; therefore, taxation relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Sub-funds hold the investments.

##### Units in issue

The Sub-funds classify 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 Sub-funds 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 Sub-funds' 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 Sub-funds 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 Sub-funds over the life of the instrument.

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 Sub-funds' net assets at each daily redemption date and also in the event of the Sub-funds' 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.

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 3. GAINS AND LOSSES ON INVESTMENTS

	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Realised gains	16,347,938	1,184,946,841	881,135,587	206,549,947	228,643,053	50,218,904	1,946,033,392	179,327,395	467,293,434	113,053,845	646,854,056
Unrealised gains	2,628,674	451,772,151	217,606,890	660,526,162	14,749,192	7,404,840	568,111,664	33,281,162	494,631,729	5,136,233	932,314,379
Total gains on investments	<u>18,976,612</u>	<u>1,636,718,992</u>	<u>1,098,742,477</u>	<u>867,076,109</u>	<u>243,392,245</u>	<u>57,623,744</u>	<u>2,514,145,056</u>	<u>212,608,557</u>	<u>961,925,163</u>	<u>118,190,078</u>	<u>1,579,168,435</u>
Realised losses	(4,748,610)	(447,983,008)	(568,639,990)	(50,555,445)	(38,725,935)	(17,508,746)	(1,023,969,119)	(59,455,808)	(25,449,965)	(5,609,165)	(43,122,990)
Unrealised losses	(8,262,892)	(1,330,281,615)	(1,525,428,448)	(202,909,110)	(214,203,096)	(29,094,402)	(3,797,448,024)	(400,153,575)	(389,627,431)	(131,113,992)	(244,875,439)
Total losses on investments	<u>(13,011,502)</u>	<u>(1,778,264,623)</u>	<u>(2,094,068,438)</u>	<u>(253,464,555)</u>	<u>(252,929,031)</u>	<u>(46,603,148)</u>	<u>(4,821,417,143)</u>	<u>(459,609,383)</u>	<u>(415,077,396)</u>	<u>(136,723,157)</u>	<u>(287,998,429)</u>
	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Realised gains	3,137,134	581,618,362	670,155,839	80,318,717	248,212,456	55,646,958	1,584,048,278	196,637,700	516,818,155	128,749,892	331,800,927
Unrealised gains	2,366,970	1,351,749,110	1,188,005,096	353,161,407	257,155,101	14,144,502	2,806,209,890	316,751,099	655,547,599	116,865,366	628,612,538
Total gains on investments	<u>5,504,104</u>	<u>1,933,367,472</u>	<u>1,858,160,935</u>	<u>433,480,124</u>	<u>505,367,557</u>	<u>69,791,460</u>	<u>4,390,258,168</u>	<u>513,388,799</u>	<u>1,172,365,754</u>	<u>245,615,258</u>	<u>960,413,465</u>
Realised losses	(754,015)	(445,192,638)	(482,129,161)	(67,282,404)	(25,084,953)	(6,193,709)	(1,485,812,807)	(55,012,229)	(432,580,035)	(21,570,834)	(227,942,295)
Unrealised losses	(1,398,208)	(222,786,111)	(433,607,274)	(61,976,174)	(21,286,612)	(6,358,161)	(864,720,667)	(41,016,188)	(242,339,069)	(27,993,075)	(252,090,818)
Total losses on investments	<u>(2,152,223)</u>	<u>(667,978,749)</u>	<u>(915,736,435)</u>	<u>(129,258,578)</u>	<u>(46,371,565)</u>	<u>(12,551,870)</u>	<u>(2,350,533,474)</u>	<u>(96,028,417)</u>	<u>(674,919,104)</u>	<u>(49,563,909)</u>	<u>(480,033,113)</u>

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

4. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

		2021										
		Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
(a) Equities												
Listed shares		-	6,458,930,582	4,916,693,363	4,298,131,552	-	-	12,755,351,495	-	4,252,401,801	-	6,201,438,826
(b) Debt securities												
Listed/quoted debt instruments		482,149,880	-	-	-	5,823,369,790	2,144,224,750	-	5,776,261,574	-	2,493,905,681	-
Certificates of deposit		-	-	-	-	714,557,115	302,832,396	-	-	-	-	-
		482,149,880	-	-	-	6,537,926,905	2,447,057,146	-	5,776,261,574	-	2,493,905,681	-
		482,149,880	6,458,930,582	4,916,693,363	4,298,131,552	6,537,926,905	2,447,057,146	12,755,351,495	5,776,261,574	4,252,401,801	2,493,905,681	6,201,438,826
		2020										
		Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
(a) Equities												
Listed shares		-	6,545,516,260	5,199,838,609	2,605,690,756	-	-	13,590,042,446	-	3,016,013,203	-	4,270,981,306
(b) Debt securities												
Listed/quoted debt instruments		271,078,160	-	-	-	5,715,290,102	1,443,512,807	-	5,711,633,513	-	2,788,958,747	-
Certificates of deposit		-	-	-	-	1,053,095,009	837,454,695	-	-	-	-	-
		271,078,160	-	-	-	6,768,385,111	2,280,967,502	-	5,711,633,513	-	2,788,958,747	-
		271,078,160	6,545,516,260	5,199,838,609	2,605,690,756	6,768,385,111	2,280,967,502	13,590,042,446	5,711,633,513	3,016,013,203	2,788,958,747	4,270,981,306



## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

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#### 5. FORMATION COSTS

The cost of establishing the Trust and the Sub-funds including the preparation of the prospectus, inception fees, the costs of seeking and obtaining the listing and authorization by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by the Sub-funds and amortised over the first five financial years of the respective Sub-funds or such other period as determined by the Manager. However, with respect to the preparation of the Sub-funds' financial statements in compliance with HKFRS, establishment costs are recognized as an expense in the period in which they are incurred.

Formation cost for establishing the Sub-funds will be fully amortised over five financial years and as of 31 December 2021, the remaining amortization period and amount of Principal Asian Bond Fund, which was launched on 17 August 2020, are three years and HK\$123,984 respectively.

#### 6. INVESTMENT TRANSACTION COSTS

The costs represent commission fee and handling fee to broker, transaction fees and charges paid to bank.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

7. INTEREST AND DIVIDEND RECEIVABLES

		2021										
		Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Interest receivables		3,603,791	-	-	-	49,105,815	18,848,316	-	40,551,695	-	19,369,779	-
Dividend receivables		-	4,466,988	859,356	1,311,908	-	-	3,134,372	-	2,406,416	-	3,350,549
		<u>3,603,791</u>	<u>4,466,988</u>	<u>859,356</u>	<u>1,311,908</u>	<u>49,105,815</u>	<u>18,848,316</u>	<u>3,134,372</u>	<u>40,551,695</u>	<u>2,406,416</u>	<u>19,369,779</u>	<u>3,350,549</u>
		2020										
		Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Interest receivables		2,199,132	-	-	-	54,521,050	33,695,580	-	44,402,320	-	20,239,691	-
Dividend receivables		-	3,139,024	1,778,275	753,497	-	-	2,996,925	-	2,172,341	-	2,206,063
		<u>2,199,132</u>	<u>3,139,024</u>	<u>1,778,275</u>	<u>753,497</u>	<u>54,521,050</u>	<u>33,695,580</u>	<u>2,996,925</u>	<u>44,402,320</u>	<u>2,172,341</u>	<u>20,239,691</u>	<u>2,206,063</u>

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

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8. CASH AT BANKS

		2021									
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Deposits with banks	-	-	-	-	-	1,089,376,922	-	-	-	-	-
Cash at banks	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	60,189,128	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953
	<u>25,559,794</u>	<u>218,799,263</u>	<u>174,675,643</u>	<u>100,600,507</u>	<u>216,505,850</u>	<u>1,149,566,050</u>	<u>288,257,277</u>	<u>211,794,241</u>	<u>154,216,135</u>	<u>99,794,661</u>	<u>76,908,953</u>
		2020									
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Deposits with banks	-	-	-	-	-	1,218,002,723	-	-	-	-	-
Cash at banks	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	26,113,848	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
	<u>16,207,902</u>	<u>103,917,556</u>	<u>108,050,778</u>	<u>53,181,623</u>	<u>164,885,836</u>	<u>1,244,116,571</u>	<u>175,280,097</u>	<u>242,516,036</u>	<u>73,894,691</u>	<u>98,453,678</u>	<u>85,571,806</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 9. TAXATION

Taxation in the statement of profit or loss and other comprehensive income represents:

	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Overseas capital gain tax	-	7,157,524	-	-	-	-	-	-	32,425	-	-
Overseas withholding tax	-	22,364,195	6,519,054	12,635,229	-	-	11,814,177	345,888	8,450,486	-	21,735,024
	-	29,521,719	6,519,054	12,635,229	-	-	11,814,177	345,888	8,482,911	-	21,735,024
	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Overseas capital gain tax	-	2,348,952	-	-	-	-	-	-	13,310	-	-
Overseas withholding tax	-	18,911,897	7,580,299	3,096,752	-	-	14,386,025	130,735	9,770,031	2,390	17,428,473
	-	21,260,849	7,580,299	3,096,752	-	-	14,386,025	130,735	9,783,341	2,390	17,428,473

No provision for Hong Kong profits tax has been made as interest, distribution income and realised gains on disposals of investments of the Sub-funds are excluded from the charge to profits tax under either sections 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance. A reconciliation 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 has not been presented as the income/loss of the Sub-funds is excluded from the charge to profits tax.

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 10. UNITS IN ISSUE

	2021										
	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>Pension Class</b>											
Balance brought forward	28,690,269.7925	94,068,675.7033	159,486,438.7861	129,197,113.9353	289,927,401.1395	236,994,113.2880	234,192,848.1743	270,637,770.7779	61,839,071.2759	143,807,881.7591	86,706,558.3507
Issued during the year	37,267,891.4136	21,088,427.6402	85,614,095.7811	57,857,429.6570	47,151,720.2348	131,187,926.8699	68,280,037.4981	52,897,827.1077	41,340,322.9649	16,636,207.1436	39,189,419.7465
Redeemed during the year	(15,781,472.8869)	(19,689,805.3317)	(63,996,455.5032)	(10,766,834.0891)	(60,138,854.7224)	(135,361,479.3876)	(43,648,903.1237)	(41,005,199.3937)	(26,036,260.5338)	(30,570,244.7939)	(31,793,114.1493)
Balance as at 31 December 2021	<u>50,176,688.3192</u>	<u>95,467,298.0118</u>	<u>181,104,079.0640</u>	<u>176,287,709.5032</u>	<u>276,940,266.6519</u>	<u>232,820,560.7703</u>	<u>258,823,982.5487</u>	<u>282,530,398.4919</u>	<u>77,143,133.7070</u>	<u>129,873,844.1088</u>	<u>94,102,863.9479</u>
<b>Retail Class</b>											
Balance brought forward	-	538,055.9317	28,278,992.2489	-	192,322,247.7795	20,895,551.6348	20,026,680.0073	166,790.2112	12,165,986.8014	-	16,708,803.3905
Issued during the year	-	58,798.3050	10,097,732.1403	-	42,845,230.3121	10,317,896.3496	6,134,935.1063	72.6878	937,024.8704	-	9,081,424.7668
Redeemed during the year	-	(51,785.6228)	(5,344,995.6979)	-	(41,134,565.4557)	(2,413,933.8946)	(4,803,259.6807)	(28,414.3336)	(3,196,407.8186)	-	(1,570,150.6617)
Balance as at 31 December 2021	<u>-</u>	<u>545,068.6139</u>	<u>33,031,728.6913</u>	<u>-</u>	<u>194,032,912.6359</u>	<u>28,799,514.0898</u>	<u>21,358,355.4329</u>	<u>138,448.5654</u>	<u>9,906,603.8532</u>	<u>-</u>	<u>24,220,077.4956</u>
<b>Investment Class</b>											
Balance brought forward	-	664,409.4165	34,404,539.4316	1,046,220.2105	-	-	13,262,266.2257	38,276,929.6835	-	-	-
Issued during the year	-	102,589.8153	5,499,756.8415	68,136.7443	-	-	2,691,089.1829	11,937,429.7552	-	233,473.7094	-
Redeemed during the year	-	(74,150.7153)	(3,819,540.6561)	(133,488.7897)	-	-	(1,249,595.8038)	(7,868,847.2241)	-	-	-
Balance as at 31 December 2021	<u>-</u>	<u>692,848.5165</u>	<u>36,084,755.6170</u>	<u>980,868.1651</u>	<u>-</u>	<u>-</u>	<u>14,703,759.6048</u>	<u>42,345,512.2146</u>	<u>-</u>	<u>233,473.7094</u>	<u>-</u>
<b>I6 Class</b>											
Balance brought forward	-	-	-	-	-	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 10. UNITS IN ISSUE (continued)

	2021 (continued)										
	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>R6 Class</b>											
Balance brought forward	-	-	3,463,941.6350	-	86,427,460.0740	-	6,275,020.8594	-	-	-	-
Issued during the year	-	-	8,371,541.5879	-	28,969,990.0381	-	1,424,314.3104	-	-	-	-
Redeemed during the year	-	-	(5,750,904.4887)	-	(27,003,435.5722)	-	(2,203,080.7656)	-	-	-	-
Balance as at 31 December 2021	-	-	6,084,578.7342	-	88,394,014.5399	-	5,496,254.4042	-	-	-	-
<b>R2 Class</b>											
Balance brought forward	-	-	-	-	-	-	526,024.5742	-	-	-	-
Issued during the year	-	-	-	-	-	-	719,193.6933	-	-	-	-
Redeemed during the year	-	-	-	-	-	-	(205,688.0773)	-	-	-	-
Balance as at 31 December 2021	-	-	-	-	-	-	1,039,530.1902	-	-	-	-
<b>Net asset value per unit</b>											
- Pension class	10.1743	69.3325	21.3818	24.8008	13.1201	13.9903	45.1228	19.1408	52.1174	20.0978	58.5667
- Retail class	-	52.7043	16.6048	-	11.9607	12.4111	35.7005	12.8574	39.3032	-	31.5834
- Investment class	-	27.6763	16.8002	21.1309	-	-	36.4782	14.5957	-	9.9687	-
- I6 class	-	10.0000	-	13.3118	-	-	13.3368	-	10.0000	-	-
- R6 class	-	-	10.3306	-	9.6247	-	10.2508	-	-	-	-
- R2 class	-	-	-	-	-	-	12.0725	-	-	-	-

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 10. UNITS IN ISSUE (continued)

	2020										
	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>Pension Class</b>											
Balance brought forward	-	93,119,876.0051	150,340,891.7258	55,897,635.1800	299,345,173.2330	237,118,657.4542	218,659,593.1751	254,251,583.4139	90,092,652.8786	139,837,484.4354	64,880,494.3149
Issued during the year	29,986,238.9007	19,912,702.5754	75,795,353.4582	79,292,613.2844	83,645,211.1205	144,500,312.0010	84,272,281.3946	62,949,603.2303	18,257,198.8730	29,965,172.6651	55,422,395.5628
Redeemed during the year	(1,295,969.1082)	(18,963,902.8772)	(66,649,806.3979)	(5,993,134.5291)	(93,062,983.2140)	(144,624,856.1672)	(68,739,026.3954)	(46,563,415.8663)	(46,510,780.4757)	(25,994,775.3414)	(33,596,331.5270)
Balance as at 31 December 2020	<u>28,690,269.7925</u>	<u>94,068,675.7033</u>	<u>159,486,438.7861</u>	<u>129,197,113.9353</u>	<u>289,927,401.1395</u>	<u>236,994,113.2880</u>	<u>234,192,848.1743</u>	<u>270,637,770.7779</u>	<u>61,839,071.2759</u>	<u>143,807,881.7591</u>	<u>86,706,558.3507</u>
<b>Retail Class</b>											
Balance brought forward	-	547,817.6701	33,452,745.9285	-	174,531,861.5300	19,712,379.7354	23,232,199.1533	278,684.0958	12,565,803.1966	-	526,813.6674
Issued during the year	-	12,265.3272	8,825,356.0949	-	53,442,641.6274	9,649,923.6564	4,580,038.6704	46,472.3669	2,134,795.1801	-	16,254,131.1426
Redeemed during the year	-	(22,027.0656)	(13,999,109.7745)	-	(35,652,255.3779)	(8,466,751.7570)	(7,785,557.8164)	(158,366.2515)	(2,534,611.5753)	-	(72,141.4195)
Balance as at 31 December 2020	<u>-</u>	<u>538,055.9317</u>	<u>28,278,992.2489</u>	<u>-</u>	<u>192,322,247.7795</u>	<u>20,895,551.6348</u>	<u>20,026,680.0073</u>	<u>166,790.2112</u>	<u>12,165,986.8014</u>	<u>-</u>	<u>16,708,803.3905</u>
<b>Investment Class</b>											
Balance brought forward	-	595,211.0522	35,262,772.9124	455,189.0583	-	-	12,995,904.0672	39,328,395.8633	-	-	-
Issued during the year	-	107,390.3404	4,942,506.3401	601,136.2076	-	-	1,913,886.1353	10,020,904.0882	-	-	-
Redeemed during the year	-	(38,191.9761)	(5,800,739.8209)	(10,105.0554)	-	-	(1,647,523.9768)	(11,072,370.2680)	-	-	-
Balance as at 31 December 2020	<u>-</u>	<u>664,409.4165</u>	<u>34,404,539.4316</u>	<u>1,046,220.2105</u>	<u>-</u>	<u>-</u>	<u>13,262,266.2257</u>	<u>38,276,929.6835</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>I6 Class</b>											
Balance brought forward	-	-	-	-	-	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

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### 10. UNITS IN ISSUE (continued)

	2020 (continued)										
	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>R6 Class</b>											
Balance brought forward	-	-	6,202,516.6915	-	78,481,367.2245	-	8,243,373.1203	-	-	-	-
Issued during the year	-	-	5,811,544.4000	-	39,624,817.0532	-	2,569,827.1141	-	-	-	-
Redeemed during the year	-	-	(8,550,119.4565)	-	(31,678,724.2037)	-	(4,538,179.3750)	-	-	-	-
Balance as at 31 December 2020	-	-	3,463,941.6350	-	86,427,460.0740	-	6,275,020.8594	-	-	-	-
<b>R2 Class</b>											
Balance brought forward	-	-	-	-	-	-	228,094.0397	-	-	-	-
Issued during the year	-	-	-	-	-	-	538,578.0222	-	-	-	-
Redeemed during the year	-	-	-	-	-	-	(240,647.4877)	-	-	-	-
Balance as at 31 December 2020	-	-	-	-	-	-	526,024.5742	-	-	-	-
<b>Net asset value per unit</b>											
- Pension class	10.0977	70.1849	25.2318	20.4270	13.1430	13.9167	52.5756	19.9654	43.4613	20.2145	45.4740
- Retail class	-	54.1099	19.9365	-	12.0667	12.4026	42.1951	13.5740	33.2350	-	24.8639
- Investment class	-	28.3278	20.0682	17.6126	-	-	43.0236	15.3786	-	-	-
- I6 class	-	10.0000	-	13.3118	-	-	13.3368	-	10.0000	-	-
- R6 class	-	-	12.5987	-	9.9437	-	12.3446	-	-	-	-
- R2 class	-	-	-	-	-	-	14.3392	-	-	-	-



# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 11. NET ASSET VALUE FOR THE SUB-FUNDS

The Trustee and the Manager would like to highlight that the net asset value ("NAV") presented in the financial statements and that quoted for pricing purposes at the year end ("Dealing NAV") are the same since the adoption of HKFRS 13 in 2013. Difference noted in 2021 and 2020 was due to the principles for calculating the Dealing NAV as set out in the Explanatory Memorandum document being different from that required for financial reporting purposes under HKFRSs. The following reconciliation provides details of these differences for 2021 and 2020:

2021											
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
NAV as reported in the financial statements as at 31 December 2021	510,513,068	6,666,898,636	5,089,922,753	4,392,832,099	6,805,034,022	3,614,672,811	13,046,618,681	6,027,711,214	4,409,868,082	2,612,515,638	6,276,250,630
Formation cost	-	-	-	(12,128)	-	-	32,620	-	-	-	-
Dealing NAV as at 31 December 2021	<u>510,513,068</u>	<u>6,666,898,636</u>	<u>5,089,922,753</u>	<u>4,392,819,971</u>	<u>6,805,034,022</u>	<u>3,614,672,811</u>	<u>13,046,651,301</u>	<u>6,027,711,214</u>	<u>4,409,868,082</u>	<u>2,612,515,638</u>	<u>6,276,250,630</u>
2020											
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
NAV as reported in the financial statements as at 31 December 2020	289,706,452	6,650,142,482	5,322,001,560	2,657,555,600	6,990,666,442	3,557,349,645	13,813,438,801	5,994,305,452	3,091,944,719	2,907,012,105	4,358,345,256
Formation cost	-	-	-	(12,128)	-	-	32,620	-	-	-	-
Dealing NAV as at 31 December 2020	<u>289,706,452</u>	<u>6,650,142,482</u>	<u>5,322,001,560</u>	<u>2,657,543,472</u>	<u>6,990,666,442</u>	<u>3,557,349,645</u>	<u>13,813,471,421</u>	<u>5,994,305,452</u>	<u>3,091,944,719</u>	<u>2,907,012,105</u>	<u>4,358,345,256</u>

PRINCIPAL LIFE STYLE FUND

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12. NET INCOME/(LOSS) TO BE CARRIED FORWARD FOR DISTRIBUTION

	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Net income/(loss) for the year before distribution to unitholders</b>	<u>5,850,555</u>	<u>(86,780,841)</u>	<u>(950,589,915)</u>	<u>681,065,417</u>	<u>(34,756,604)</u>	<u>17,492,873</u>	<u>(2,132,678,473)</u>	<u>(258,740,654)</u>	<u>574,727,084</u>	<u>(18,727,170)</u>	<u>1,335,084,348</u>
Distributions to unitholders	-	-	(930,190)	-	(21,336,552)	-	(1,126,466)	-	-	-	-
<b>Increase/(decrease) in net assets attributable to unitholders</b>	<u>5,850,555</u>	<u>(86,780,841)</u>	<u>(951,520,105)</u>	<u>681,065,417</u>	<u>(56,093,156)</u>	<u>17,492,873</u>	<u>(2,133,804,939)</u>	<u>(258,740,654)</u>	<u>574,727,084</u>	<u>(18,727,170)</u>	<u>1,335,084,348</u>
	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Net income for the year before distribution to unitholders</b>	<u>3,196,927</u>	<u>1,339,265,034</u>	<u>1,010,937,744</u>	<u>304,738,921</u>	<u>434,909,714</u>	<u>81,479,485</u>	<u>2,251,162,846</u>	<u>412,580,058</u>	<u>523,526,434</u>	<u>195,332,066</u>	<u>514,807,526</u>
Distributions to unitholders	-	-	(1,760,306)	-	(19,421,603)	-	(1,955,164)	-	-	-	-
<b>Increase in net assets attributable to unitholders</b>	<u>3,196,927</u>	<u>1,339,265,034</u>	<u>1,009,177,438</u>	<u>304,738,921</u>	<u>415,488,111</u>	<u>81,479,485</u>	<u>2,249,207,682</u>	<u>412,580,058</u>	<u>523,526,434</u>	<u>195,332,066</u>	<u>514,807,526</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

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### 13. DISTRIBUTION

The Manager currently does not intend to make distributions in respect of the Investment Class Units, I6 Class Units, Pension Class Units, Retail Class Units and R2 Class Unit of any Sub-fund and any income earned by such classes of a Sub-fund will be reinvested in the relevant class or classes of that Sub-fund and reflected in the value of units of the relevant class or classes of that Sub-fund.

For R6 Class Units of any Sub-fund, the Manager at present intends to distribute all income or any part thereof received by the relevant Sub-fund and attributable to such Units generally on a quarterly basis in March, June, September and December each year. However, this is not a guarantee that such distributions will be made or that there will be a target level of income distribution for any Sub-fund. The level and frequency of the income distributed by any Sub-fund does not necessarily indicate the total return and income of such Sub-fund. However, the Manager may determine at its absolute discretion that no distribution shall be made (whether by way of interim distribution or final distribution) in respect of R6 Class Units of any Sub-fund.

*The distributions made by Principal China Equity Fund, Principal Hong Kong Bond Fund and Principal Hong Kong Equity Fund for the year ended 31 December 2021 and 2020 are as follows:*

	2021								
	Principal China Equity Fund - R6 Class			Principal Hong Kong Bond Fund - R6 Class			Principal Hong Kong Equity Fund - R6 Class		
	Unit	HK\$/Unit	HK\$	Unit	HK\$/Unit	HK\$	Unit	HK\$/Unit	HK\$
Undistributed loss brought forward									
Net loss for the year			(950,589,915)			(34,756,604)			(2,132,678,473)
Distribution for Q1 2021 (paid at 09 April 2021)	4,413,405.5139	0.0001	(441)	93,810,351.2112	0.0571	(5,356,572)	5,064,972.2632	0.0206	(104,338)
Distribution for Q2 2021 (paid at 09 July 2021)	4,291,545.0611	0.1064	(456,620)	93,700,342.7822	0.059	(5,528,320)	4,948,034.4768	0.1019	(504,205)
Distribution for Q3 2021 (paid at 11 October 2021)	5,949,249.2671	0.0738	(439,055)	91,304,656.3585	0.0589	(5,377,844)	5,212,261.5113	0.0826	(430,533)
Distribution for Q4 2021 (paid at 10 January 2022)	6,084,578.7331	0.0056	(34,074)	88,394,014.5396	0.0574	(5,073,816)	5,496,254.4042	0.0159	(87,390)
Transfer to capital			<u>951,520,105</u>			<u>56,093,156</u>			<u>2,133,804,939</u>
Undistributed loss carried forward			<u>-</u>			<u>-</u>			<u>-</u>

# PRINCIPAL LIFE STYLE FUND

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### 13. DISTRIBUTION (continued)

	2020								
	Principal China Equity Fund - R6 Class			Principal Hong Kong Bond Fund - R6 Class			Principal Hong Kong Equity Fund - R6 Class		
	Unit	HK\$/Unit	HK\$	Unit	HK\$/Unit	HK\$	Unit	HK\$/Unit	HK\$
Undistributed income brought forward			-			-			-
Net income for the year			1,010,937,744			434,909,714			2,251,162,846
Distribution for Q1 2020 (paid at 9 April 2020)	6,311,165.8554	0.0008	(5,049)	73,714,745.9673	0.0630	(4,644,029)	8,464,927.9077	0.0156	(132,053)
Distribution for Q2 2020 (paid at 9 July 2020)	6,599,540.5657	0.1545	(1,019,629)	80,701,980.6729	0.0563	(4,543,522)	7,551,296.7722	0.1279	(965,811)
Distribution for Q3 2020 (paid at 9 October 2020)	6,084,826.6893	0.1197	(728,354)	83,478,832.4880	0.0612	(5,108,904)	6,225,878.2719	0.1250	(778,235)
Distribution for Q4 2020 (paid at 11 January 2021)	3,463,941.6339	0.0021	(7,274)	86,427,460.0737	0.0593	(5,125,148)	6,275,020.8594	0.0126	(79,065)
Transfer to capital			(1,009,177,438)			(415,488,111)			(2,249,207,682)
Undistributed income carried forward			-			-			-

### 14. 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) Principal Asset Management Company (Asia) Limited is the Manager of the Sub-funds. The Manager is entitled to receive management fees for each Sub-fund, calculated at the following percentage of the NAV of the relevant class of units of each Sub-fund. The maximum management fee for each class of units of each Sub-fund is 2% per annum of its NAV.

PRINCIPAL LIFE STYLE FUND

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14. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

	Management fee (p.a.)					
	Pension Class	Retail Class	Investment Class	I6 Class	R6 Class	R2 Class
Principal Asian Bond Fund	Nil	N/A	0.80%	0.80%	N/A	N/A
Principal Asian Equity Fund	Nil	1.20%	0.90%	0.80%	1.20%	1.20%
Principal China Equity Fund	Nil	1.50%	1.00%	0.80%	1.50%	1.50%
Principal European Equity Fund	Nil	1.50%	1.00%	0.80%	1.50%	1.50%
Principal Hong Kong Bond Fund	Nil	0.50%	N/A	0.80%	0.50%	0.50%
Principal Hong Kong Dollar Savings Fund	Nil	0.25%	0.60%	0.80%	0.25%	0.25%
Principal Hong Kong Equity Fund	Nil	1.20%	1.00%	0.80%	1.20%	1.20%
Principal International Bond Fund	Nil	1.00%	0.80%	0.80%	1.00%	1.00%
Principal International Equity Fund	Nil	1.20%	1.00%	0.80%	1.20%	1.20%
Principal Pension Bond Fund	Nil	1.00%	0.80%	0.80%	1.00%	1.00%
Principal U.S. Equity Fund	Nil	1.20%	1.00%	0.80%	1.20%	1.20%

The management fee is accrued daily, calculated on each dealing day and is paid monthly in arrears.

- (b) Principal Trust Company (Asia) Limited acts as the Trustee and the Registrar of the Sub-funds. The Trustee is entitled to receive a trustee fee from each Sub-fund at the following percentage of the NAV of the relevant class of units of each Sub-fund. The maximum trustee fee for each class of units of each Sub-fund is 1% per annum of its NAV.

	Trustee fee (p.a.)					
	Pension Class	Retail Class	Investment Class	I6 Class	R6 Class	R2 Class
Principal Asian Bond Fund	Nil	N/A	0.20%	0.20%	N/A	N/A
Principal Asian Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal China Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal European Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal Hong Kong Bond Fund	Nil	0.20%	N/A	0.20%	0.20%	0.20%
Principal Hong Kong Dollar Savings Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal Hong Kong Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal International Bond Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal International Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal Pension Bond Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%
Principal U.S. Equity Fund	Nil	0.20%	0.20%	0.20%	0.20%	0.20%

The trustee fee is accrued daily, calculated on each dealing day and is paid monthly in arrears.

- (c) During the year, the Manager has delegated part of its responsibilities to a fellow subsidiary, Principal Global Investors, LLC.
- (d) The transactions with related parties as stated above are within the definition of transactions with associates in accordance with the Ordinance and MPF Guidelines on Reporting Requirements II.5 Annex A I(E)2.

The amounts of related party transactions during the year are disclosed in the statement of profit or loss and other comprehensive income.

PRINCIPAL LIFE STYLE FUND

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31 December 2021

14. RELATED PARTY TRANSACTIONS (continued)

	2021										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Management fees payable	-	42,915	1,318,117	16,900	1,349,078	75,580	1,336,971	421,004	388,660	1,581	794,251
Trustee fee payable	-	7,927	210,442	3,380	539,631	60,464	237,017	105,175	64,777	395	132,375
	-	50,842	1,528,559	20,280	1,888,709	136,044	1,573,988	526,179	453,437	1,976	926,626
	2020										
	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Management fees payable	-	50,919	1,582,399	18,090	1,600,519	65,728	1,681,001	475,356	477,367	-	494,803
Trustee fee payable	-	9,408	255,381	3,618	640,208	52,582	297,761	118,725	79,561	-	82,467
	-	60,327	1,837,780	21,708	2,240,727	118,310	1,978,762	594,081	556,928	-	577,270

PRINCIPAL LIFE STYLE FUND

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15. SOFT COMMISSION ARRANGEMENTS

During the year, the Manager, delegate and sub-delegates of the Manager, and/or their connected parties, had soft commission arrangements with brokers in respect of which certain goods and services used to support investment decision making were received. The Manager, delegate and sub-delegates of the Manager, and/or their connected parties, do not make direct payment for these services but transacts an agreed amount of HK\$75,132,086,059 (2020: HK\$63,175,655,609) of business with the brokers on behalf of the Sub-funds and commission of HK\$20,335,630 (2020: HK\$14,436,400) is paid on these transactions.

The services utilised for the Sub-funds include research and trading related items.

The Manager is satisfied that such soft commission arrangements comply with the relevant requirements under the UT Code.

16. BANKING FACILITIES, BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The Sub-funds had no bank loans, overdrafts or other borrowings as at 31 December 2021 (2020: Nil).

17. SECURITY LENDING ARRANGEMENTS

During the year ended 31 December 2021, the Sub-funds did not enter into any security lending arrangements (2020: Nil).

18. NEGOTIABILITY OF ASSETS

At 31 December 2021, there was no statutory or contractual requirement restricting the negotiability of the assets of the Sub-funds (2020: Nil).

19. COMMITMENTS

The Sub-funds had no commitments as at 31 December 2021 (2020: Nil).

20. CONTINGENT LIABILITIES

The Sub-funds had no contingent liabilities as at 31 December 2021 (2020: Nil).

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

21. 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:

*Principal Asian Bond Fund*

Financial assets

	2021			2020		
	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 at fair value through profit or loss	482,149,880	-	482,149,880	271,078,160	-	271,078,160
Interest and dividend receivables	-	3,603,791	3,603,791	-	2,199,132	2,199,132
Amounts receivable on subscriptions	-	418,637	418,637	-	486,964	486,964
Cash at banks	-	25,559,794	25,559,794	-	16,207,902	16,207,902
Formation costs	-	123,984	123,984	-	158,162	158,162
	<u>482,149,880</u>	<u>29,706,206</u>	<u>511,856,086</u>	<u>271,078,160</u>	<u>19,052,160</u>	<u>290,130,320</u>

Financial liabilities

	2021			2020		
	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\$
Derivative financial instruments	52,017	-	52,017	21,517	-	21,517
Amounts payable on redemptions	-	1,106,508	1,106,508	-	220,239	220,239
Accrual and other payables	-	184,493	184,493	-	182,112	182,112
	<u>52,017</u>	<u>1,291,001</u>	<u>1,343,018</u>	<u>21,517</u>	<u>402,351</u>	<u>423,868</u>



PRINCIPAL LIFE STYLE FUND

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21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Principal Asian Equity Fund*

Financial assets

	2021			2020		
	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 at fair value through profit or loss	6,458,930,582	-	6,458,930,582	6,545,516,260	-	6,545,516,260
Interest and dividend receivables	-	4,466,988	4,466,988	-	3,139,024	3,139,024
Amounts receivable from brokers	-	36,227,965	36,227,965	-	35,493,018	35,493,018
Amounts receivable on subscriptions	-	1,847,138	1,847,138	-	1,377,248	1,377,248
Cash at banks	-	218,799,263	218,799,263	-	103,917,556	103,917,556
	<u>6,458,930,582</u>	<u>261,341,354</u>	<u>6,720,271,936</u>	<u>6,545,516,260</u>	<u>143,926,846</u>	<u>6,689,443,106</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable to brokers	49,381,764		37,249,077	
Amounts payable on redemptions	3,364,411		1,440,583	
Accrual and other payables	627,125		610,964	
	<u>53,373,300</u>		<u>39,300,624</u>	

*Principal China Equity Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	4,916,693,363	-	4,916,693,363	5,199,838,609	-	5,199,838,609
Interest and dividend receivables	-	859,356	859,356	-	1,778,275	1,778,275
Amounts receivable from brokers	-	27,484,626	27,484,626	-	29,158,183	29,158,183
Amounts receivable on subscriptions	-	3,349,618	3,349,618	-	9,964,647	9,964,647
Cash at banks	-	174,675,643	174,675,643	-	108,050,778	108,050,778
	<u>4,916,693,363</u>	<u>206,369,243</u>	<u>5,123,062,606</u>	<u>5,199,838,609</u>	<u>148,951,883</u>	<u>5,348,790,492</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable to brokers	28,675,638		17,422,840	
Amounts payable on redemptions	2,421,325		7,173,581	
Distribution payables	34,074		7,274	
Accrual and other payables	2,008,816		2,185,237	
	<u>33,139,853</u>		<u>26,788,932</u>	

PRINCIPAL LIFE STYLE FUND

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31 December 2021

21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Principal European Equity Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	4,298,131,552	-	4,298,131,552	2,605,690,756	-	2,605,690,756
Derivative financial instruments	401,049	-	401,049	24,500	-	24,500
Interest and dividend receivables	-	1,311,908	1,311,908	-	753,497	753,497
Amounts receivable from brokers	-	3,983,009	3,983,009	-	13,658,062	13,658,062
Amounts receivable on subscriptions	-	376,634	376,634	-	30,000,040	30,000,040
Cash at banks	-	100,600,507	100,600,507	-	53,181,623	53,181,623
	<u>4,298,532,601</u>	<u>106,272,058</u>	<u>4,404,804,659</u>	<u>2,605,715,256</u>	<u>97,593,222</u>	<u>2,703,308,478</u>

Financial liabilities

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Derivative financial instruments	11,815,856	-	11,815,856	10,426,204	-	10,426,204
Amounts payable to brokers	-	-	-	-	35,206,414	35,206,414
Amounts payable on redemptions	-	43,037	43,037	-	32,681	32,681
Accrual and other payables	-	113,667	113,667	-	87,579	87,579
	<u>11,815,856</u>	<u>156,704</u>	<u>11,972,560</u>	<u>10,426,204</u>	<u>35,326,674</u>	<u>45,752,878</u>

*Principal Hong Kong Bond Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	6,537,926,905	-	6,537,926,905	6,768,385,111	-	6,768,385,111
Interest and dividend receivables	-	49,105,815	49,105,815	-	54,521,050	54,521,050
Amounts receivable on subscriptions	-	12,744,320	12,744,320	-	22,981,753	22,981,753
Cash at banks	-	216,505,850	216,505,850	-	164,885,836	164,885,836
	<u>6,537,926,905</u>	<u>278,355,985</u>	<u>6,816,282,890</u>	<u>6,768,385,111</u>	<u>242,388,639</u>	<u>7,010,773,750</u>

Financial liabilities

	2021	2020
	At amortised cost HK\$	At amortised cost HK\$
Amounts payable on redemptions	3,368,639	11,928,723
Distribution payables	5,073,816	5,125,148
Accrual and other payables	2,806,413	3,053,437
	<u>11,248,868</u>	<u>20,107,308</u>

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Principal Hong Kong Dollar Savings Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	2,447,057,146	-	2,447,057,146	2,280,967,502	-	2,280,967,502
Interest and dividend receivables	-	18,848,316	18,848,316	-	33,695,580	33,695,580
Amounts receivable on subscriptions	-	2,755,803	2,755,803	-	2,697,648	2,697,648
Cash at banks	-	1,149,566,050	1,149,566,050	-	1,244,116,571	1,244,116,571
	<u>2,447,057,146</u>	<u>1,171,170,169</u>	<u>3,618,227,315</u>	<u>2,280,967,502</u>	<u>1,280,509,799</u>	<u>3,561,477,301</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable on redemptions	3,264,813		3,893,474	
Accrual and other payables	289,691		234,182	
	<u>3,554,504</u>		<u>4,127,656</u>	

*Principal Hong Kong Equity Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	12,755,351,495	-	12,755,351,495	13,590,042,446	-	13,590,042,446
Interest and dividend receivables	-	3,134,372	3,134,372	-	2,996,925	2,996,925
Amounts receivable from brokers	-	68,903,185	68,903,185	-	80,953,902	80,953,902
Amounts receivable on subscriptions	-	11,111,741	11,111,741	-	4,109,807	4,109,807
Cash at banks	-	288,257,277	288,257,277	-	175,280,097	175,280,097
	<u>12,755,351,495</u>	<u>371,406,575</u>	<u>13,126,758,070</u>	<u>13,590,042,446</u>	<u>263,340,731</u>	<u>13,853,383,177</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable to brokers	71,978,211		32,281,767	
Amounts payable on redemptions	5,804,473		4,924,026	
Distribution payables	87,390		79,065	
Accrual and other payables	2,269,315		2,659,518	
	<u>80,139,389</u>		<u>39,944,376</u>	

PRINCIPAL LIFE STYLE FUND

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21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Principal International Bond Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	5,776,261,574	-	5,776,261,574	5,711,633,513	-	5,711,633,513
Derivative financial instruments	-	-	-	-	-	-
Interest and dividend receivables	-	40,551,695	40,551,695	-	44,402,320	44,402,320
Amounts receivable on subscriptions	-	2,724,803	2,724,803	-	745,625	745,625
Cash at banks	-	211,794,241	211,794,241	-	242,516,036	242,516,036
	<u>5,776,261,574</u>	<u>255,070,739</u>	<u>6,031,332,313</u>	<u>5,711,633,513</u>	<u>287,663,981</u>	<u>5,999,297,494</u>

Financial liabilities

	2021			2020		
	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\$
Derivative financial instruments	1,902,408	-	1,902,408	2,060,997	-	2,060,997
Amounts payable on redemptions	-	993,517	993,517	-	2,208,621	2,208,621
Accrual and other payables	-	725,174	725,174	-	722,424	722,424
	<u>1,902,408</u>	<u>1,718,691</u>	<u>3,621,099</u>	<u>2,060,997</u>	<u>2,931,045</u>	<u>4,992,042</u>

*Principal International Equity Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	4,252,401,801	-	4,252,401,801	3,016,013,203	-	3,016,013,203
Interest and dividend receivables	-	2,406,416	2,406,416	-	2,172,341	2,172,341
Amounts receivable from brokers	-	491,606	491,606	-	743,525	743,525
Amounts receivable on subscriptions	-	3,190,222	3,190,222	-	903,845	903,845
Cash at banks	-	154,216,135	154,216,135	-	73,894,691	73,894,691
	<u>4,252,401,801</u>	<u>160,304,379</u>	<u>4,412,706,180</u>	<u>3,016,013,203</u>	<u>77,714,402</u>	<u>3,093,727,605</u>

Financial liabilities

	2021	2020
	At amortised cost HK\$	At amortised cost HK\$
Amounts payable to brokers	113,882	558,297
Amounts payable on redemptions	1,863,203	453,352
Accrual and other payables	861,013	771,237
	<u>2,838,098</u>	<u>1,782,886</u>

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Principal Pension Bond Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	2,493,905,681	-	2,493,905,681	2,788,958,747	-	2,788,958,747
Interest and dividend receivables	-	19,369,779	19,369,779	-	20,239,691	20,239,691
Amounts receivable on subscriptions	-	418,051	418,051	-	289,335	289,335
Cash at banks	-	99,794,661	99,794,661	-	98,453,678	98,453,678
	<u>2,493,905,681</u>	<u>119,582,491</u>	<u>2,613,488,172</u>	<u>2,788,958,747</u>	<u>118,982,704</u>	<u>2,907,941,451</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable on redemptions	889,582		894,034	
Accrual and other payables	82,952		35,312	
	<u>972,534</u>		<u>929,346</u>	

*Principal U.S. Equity Fund*

Financial assets

	2021			2020		
	At fair value through profit or loss HK\$	At amortised cost HK\$	Total HK\$	At fair value through profit or loss HK\$	At amortised costs HK\$	Total HK\$
Investments at fair value through profit or loss	6,201,438,826	-	6,201,438,826	4,270,981,306	-	4,270,981,306
Interest and dividend receivables	-	3,350,549	3,350,549	-	2,206,063	2,206,063
Amounts receivable on subscriptions	-	7,896,657	7,896,657	-	2,668,867	2,668,867
Cash at banks	-	76,908,953	76,908,953	-	85,571,806	85,571,806
	<u>6,201,438,826</u>	<u>88,156,159</u>	<u>6,289,594,985</u>	<u>4,270,981,306</u>	<u>90,446,736</u>	<u>4,361,428,042</u>

Financial liabilities

	2021		2020	
	At amortised cost HK\$		At amortised cost HK\$	
Amounts payable to brokers	3,118,303		-	
Amounts payable on redemptions	9,262,179		2,467,434	
Accrual and other payables	963,873		615,352	
	<u>13,344,355</u>		<u>3,082,786</u>	

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

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### 22. 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 to the accounting policy, as stated in note 2.4, are disclosed below.

The carrying amounts of all the Sub-funds' financial assets and financial liabilities at the year end date approximated their fair values. For investment in securities, the fair values are based on their quoted market prices at the year end date without any deduction for estimated future selling costs. For other financial instruments, including amounts due from/to brokers, other account receivables and accounts payables, the carrying amounts approximate their fair values due to the immediate or short-term nature of these financial instruments.

The following tables illustrate the fair value measurement hierarchy of the fund's financial statements:

	2021			
	Quoted price in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	Total HK\$
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Investments at fair value through profit or loss	38,882,947,619	17,737,301,186	-	56,620,248,805
- Derivative financial instruments	-	401,049	-	401,049
	<u>38,882,947,619</u>	<u>17,737,702,235</u>	<u>-</u>	<u>56,620,649,854</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Derivative financial instruments	-	13,770,281	-	13,770,281
	<u>-</u>	<u>13,770,281</u>	<u>-</u>	<u>13,770,281</u>
	2020			
	Quoted price in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	Total HK\$
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Investments at fair value through profit or loss	35,228,082,580	17,821,023,033	-	53,049,105,613
- Derivative financial instruments	-	24,500	-	24,500
	<u>35,228,082,580</u>	<u>17,821,047,533</u>	<u>-</u>	<u>53,049,130,113</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Derivative financial instruments	-	12,508,718	-	12,508,718
	<u>-</u>	<u>12,508,718</u>	<u>-</u>	<u>12,508,718</u>

## PRINCIPAL LIFE STYLE FUND

### NOTES TO FINANCIAL STATEMENTS

31 December 2021

#### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Sub-funds' investing activities expose them to various types of risks that are associated with the financial instruments and markets in which they invest. The most important types of financial risks to which the Sub-funds are exposed are market risk, credit risk and liquidity risk.

Asset allocation is determined by the Sub-funds' Manager who manages the distribution of the assets to achieve the investment objectives as stated in the "Investment objective and policies" section of the investment report of the Sub-funds. Divergence from target asset allocations and the composition of the portfolio is monitored by the Sub-funds' Manager. In instances where the Sub-funds have diverged from target asset allocations, the Sub-funds' Manager will rebalance the portfolios to fall in line with the target asset allocations.

##### *(a) Market risk*

Market risk embodies the potential for both loss and gain and includes currency risk, interest rate risk and other price risk. To control risk, investment decisions are based on 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. For example, exposure to long-term bonds is limited in the case of short-medium bond funds so that the price risk from a change in market interest rates is limited. Conversely, for long-term bond funds, a close watch is kept not only on duration but also on the amount of cash/near cash assets as an excess of such assets too can deviate from the portfolio objectives. For equity portfolios too, composition is based on risk-return objectives, in consideration of internally selected benchmarks.

The securities markets of emerging markets tend to be more volatile, less liquid, subject to substantial currency fluctuations and can experience sudden economic and political developments. They may have less government regulations and are probably less subject to extensive accounting and financial reporting requirements than the markets of more developed countries. At times, the Sub-funds may not be able to sell certain portfolio securities without a substantial drop in price, if at all.

The Sub-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 Sub-funds may invest in financial instruments denominated in currencies other than their functional currencies. Consequently, the portfolios are exposed to the risk that the exchange rate of their currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the portfolios' assets or liabilities denominated in currencies other than the functional currency.

The Sub-funds do not generally hedge currency exposures beyond what is required to achieve the minimum Hong Kong Dollar ("HKD") currency exposure set by the Authority. Such Sub-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 LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) Market risk (continued)

##### Currency risk (continued)

At the end of the reporting period the Sub-funds had the following net currency exposure:

##### As at 31 December 2021

Currency	Principal Asian Bond Fund		Principal Asian Equity Fund		Principal China Equity Fund		Principal European Equity Fund		Principal Hong Kong Bond Fund		Principal Hong Kong Dollar Savings Fund	
	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets
Australian Dollar	-	-	878,493,698	13.18	-	-	-	-	-	-	-	-
Brazilian Real	-	-	-	-	-	-	-	-	-	-	-	-
British Pound	-	-	75	0.00	-	-	931,145,958	21.20	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
Chinese Yuan	2,549,884	0.04	50,278,122	0.75	1,137,967,873	22.36	-	-	-	-	-	-
Czech Koruna	-	-	-	-	-	-	-	-	-	-	-	-
Danish Krone	-	-	-	-	-	-	257,559,542	5.86	-	-	-	-
Euro	-	-	-	-	-	-	2,047,196,536	46.60	-	-	-	-
India Rupee	-	-	930,731,324	13.96	-	-	-	-	-	-	-	-
Indonesia Rupiah	-	-	140,677,684	2.11	-	-	-	-	-	-	-	-
Israeli New Sheqel	-	-	-	-	-	-	-	-	-	-	-	-
Japanese Yen	-	-	-	-	-	-	-	-	-	-	-	-
Malaysian Ringgit	-	-	58,279,141	0.87	-	-	-	-	-	-	-	-
Mexican Peso	-	-	-	-	-	-	-	-	-	-	-	-
New Zealand Dollar	-	-	43,371,302	0.65	-	-	-	-	-	-	-	-
Norwegian Kroner	-	-	-	-	-	-	111,242,195	2.53	-	-	-	-
Philippines Peso	-	-	138,893,594	2.08	-	-	-	-	-	-	-	-
Poland Zlotych	-	-	-	-	-	-	-	-	-	-	-	-
Singapore Dollar	4,438,186	0.87	322,132,258	4.83	27,727,814	0.54	-	-	-	-	-	-
South African Rand	-	-	-	-	-	-	-	-	-	-	-	-
South Korean Won	-	-	696,160,694	10.44	-	-	-	-	-	-	-	-
Swedish Krona	-	-	-	-	-	-	343,921,836	7.83	-	-	-	-
Swiss Franc	-	-	-	-	-	-	612,613,297	13.95	-	-	-	-
Taiwan Dollar	-	-	937,349,000	14.06	-	-	-	-	-	-	-	-
Thai Baht	-	-	135,278,487	2.03	-	-	-	-	-	-	-	-
United States Dollar	501,113,446	98.16	343,761,227	5.16	130,396,584	2.56	48,134,454	1.10	340,615,655	5.01	-	-
Total value	508,101,516	99.07	4,675,406,606	70.12	1,296,092,271	25.46	4,351,813,818	99.07	340,615,655	5.01	-	-



# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) *Market risk (continued)*

#### *Currency risk (continued)*

#### *As at 31 December 2021 (continued)*

Currency	Principal Hong Kong Equity Fund		Principal International Bond Fund		Principal International Equity Fund		Principal Pension Bond Fund		Principal U.S. Equity Fund	
	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets
Australian Dollar	-	-	86,216,416	1.43	8,852,181	0.20	-	-	-	-
Brazilian Real	-	-	-	-	4,733,542	0.11	-	-	-	-
British Pound	-	-	284,166,641	4.71	230,138,538	5.22	-	-	-	-
Canadian Dollar	-	-	162,627,463	2.70	224,219,641	5.08	-	-	-	-
Chinese Yuan	910,810,187	6.98	-	-	-	-	-	-	-	-
Czech Koruna	-	-	2,321,997	0.04	-	-	-	-	-	-
Danish Krone	-	-	16,785,071	0.28	2,641,131	0.06	-	-	-	-
Euro	-	-	771,663,285	12.80	472,027,050	10.70	-	-	-	-
India Rupee	-	-	-	-	9,282,551	0.21	-	-	-	-
Indonesia Rupiah	-	-	-	-	1,456,730	0.03	-	-	-	-
Israeli New Sheqel	-	-	-	-	1,206,895	0.03	-	-	-	-
Japanese Yen	-	-	601,726,196	9.98	425,817,479	9.66	-	-	-	-
Malaysian Ringgit	-	-	-	-	1,012,017	0.02	-	-	-	-
Mexican Peso	-	-	52,996,801	0.88	36,921,076	0.84	-	-	-	-
New Zealand Dollar	-	-	4,714,772	0.08	-	-	-	-	-	-
Norwegian Kroner	-	-	30,228,400	0.50	-	-	-	-	-	-
Philippines Peso	-	-	-	-	2,310,347	0.05	-	-	-	-
Poland Zlotych	-	-	8,522,402	0.14	1,807,800	0.04	-	-	-	-
Singapore Dollar	62,093,841	0.48	6,822,433	0.11	9,330,591	0.21	-	-	-	-
South African Rand	-	-	2,879,306	0.05	-	-	-	-	-	-
South Korean Won	-	-	0	0.00	6,255,442	0.14	-	-	-	-
Swedish Krona	-	-	8,703,015	0.14	5,339,372	0.12	-	-	-	-
Swiss Franc	-	-	16,767,981	0.28	151,263,607	3.43	-	-	-	-
Taiwan Dollar	-	-	-	-	133,634,894	3.03	-	-	-	-
Thai Baht	-	-	2,959,543	0.05	1,477,590	0.03	-	-	-	-
United States Dollar	293,938,480	2.25	3,925,347,960	65.12	2,634,983,227	59.75	2,599,517,149	99.50	6,207,999,823	98.91
Total value	1,266,842,508	9.71	5,985,449,682	99.29	4,364,711,701	98.96	2,599,517,149	99.50	6,207,999,823	98.91

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) *Market risk (continued)*

#### *Currency risk (continued)*

*As at 31 December 2020*

	Principal Asian Bond Fund		Principal Asian Equity Fund		Principal China Equity Fund		Principal European Equity Fund		Principal Hong Kong Bond Fund		Principal Hong Kong Dollar Savings Fund	
Currency	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets
Australian Dollar	-	-	952,482,552	14.32	-	-	-	-	-	-	-	-
Brazilian Real	-	-	-	-	-	-	-	-	-	-	-	-
British Pound	-	-	76	0.00	-	-	504,315,968	18.98	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
Chinese Yuan	-	-	32,877,982	0.50	222,176,952	4.18	-	-	-	-	-	-
Czech Koruna	-	-	-	-	-	-	-	-	-	-	-	-
Danish Krone	-	-	-	-	-	-	174,412,267	6.56	-	-	-	-
Euro	-	-	-	-	-	-	1,332,667,276	50.14	-	-	-	-
India Rupee	-	-	758,695,553	11.41	-	-	-	-	-	-	-	-
Indonesia Rupiah	-	-	25,822,618	0.39	-	-	-	-	-	-	-	-
Israeli New Sheqel	-	-	-	-	-	-	-	-	-	-	-	-
Japanese Yen	-	-	-	-	-	-	-	-	-	-	-	-
Malaysian Ringgit	-	-	80,696,476	1.21	-	-	-	-	-	-	-	-
Mexican Peso	-	-	-	-	-	-	-	-	-	-	-	-
New Zealand Dollar	-	-	34,033,583	0.51	-	-	-	-	-	-	-	-
Norwegian Kroner	-	-	-	-	-	-	22,483,958	0.85	-	-	-	-
Philippines Peso	-	-	88,644,057	1.33	-	-	-	-	-	-	-	-
Poland Zlotych	-	-	-	-	-	-	-	-	-	-	-	-
Singapore Dollar	1,527,968	0.53	214,288,358	3.22	-	-	-	-	-	-	-	-
South African Rand	-	-	-	-	-	-	-	-	-	-	-	-
South Korean Won	-	-	1,008,177,654	15.16	-	-	-	-	-	-	-	-
Swedish Krona	-	-	-	-	-	-	233,775,239	8.80	-	-	-	-
Swiss Franc	-	-	-	-	-	-	317,461,263	11.95	-	-	-	-
Taiwan Dollar	-	-	834,315,284	12.55	-	-	-	-	-	-	-	-
Thai Baht	-	-	101,869,765	1.53	-	-	-	-	-	-	-	-
United States Dollar	285,632,310	98.59	234,183,355	3.52	118,275,844	2.22	23,247,784	0.87	405,272,131	5.80	-	-
Total value	287,160,278	99.12	4,366,087,313	65.65	340,452,796	6.40	2,608,363,755	98.15	405,272,131	5.80	-	-

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) Market risk (continued)

#### Currency risk (continued)

#### As at 31 December 2020 (continued)

	Principal Hong Kong Equity Fund		Principal International Bond Fund		Principal International Equity Fund		Principal Pension Bond Fund		Principal U.S. Equity Fund	
Currency	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets	HK\$	% of net assets
Australian Dollar	-	-	94,529,583	1.58	41,519,866	1.34	-	-	-	-
Brazilian Real	-	-	-	-	5,268,447	0.17	-	-	-	-
British Pound	-	-	299,387,265	4.99	125,974,329	4.07	-	-	-	-
Canadian Dollar	-	-	165,109,227	2.75	160,386,051	5.19	-	-	-	-
Chinese Yuan	465,425,297	3.37	-	-	-	-	-	-	-	-
Czech Koruna	-	-	2,561,027	0.04	-	-	-	-	-	-
Danish Krone	-	-	18,509,297	0.31	68,479,144	2.21	-	-	-	-
Euro	-	-	1,064,016,908	17.75	304,494,859	9.84	-	-	-	-
India Rupee	-	-	-	-	9,740,180	0.32	-	-	-	-
Indonesia Rupiah	-	-	-	-	-	-	-	-	-	-
Israeli New Sheqel	-	-	-	-	2,360,524	0.08	-	-	-	-
Japanese Yen	-	-	660,413,330	11.02	301,493,721	9.75	-	-	-	-
Malaysian Ringgit	-	-	-	-	2,239,521	0.07	-	-	-	-
Mexican Peso	-	-	93,227,507	1.56	3,574,284	0.12	-	-	-	-
New Zealand Dollar	-	-	5,130,200	0.09	1,644,639	0.05	-	-	-	-
Norwegian Kroner	-	-	32,326,898	0.54	1,953,823	0.06	-	-	-	-
Philippines Peso	-	-	-	-	-	-	-	-	-	-
Poland Zlotych	-	-	9,477,425	0.16	1,444,751	0.05	-	-	-	-
Singapore Dollar	-	-	6,967,350	0.12	4,216,504	0.14	-	-	-	-
South African Rand	-	-	3,118,172	0.05	1,209,473	0.04	-	-	-	-
South Korean Won	-	-	-	-	87,997,108	2.85	-	-	-	-
Swedish Krona	-	-	9,615,180	0.16	8,351,503	0.27	-	-	-	-
Swiss Franc	-	-	18,149,586	0.30	105,042,882	3.40	-	-	-	-
Taiwan Dollar	-	-	-	-	105,678,631	3.42	-	-	-	-
Thai Baht	-	-	3,481,733	0.06	1,790,853	0.06	-	-	-	-
United States Dollar	310,056,793	2.24	3,464,246,921	57.79	1,597,923,707	51.68	2,886,532,548	99.30	4,283,227,936	98.28
Total value	775,482,090	5.61	5,950,267,609	99.27	2,942,784,800	95.18	2,886,532,548	99.30	4,283,227,936	98.28

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) *Market risk (continued)*

##### *Currency risk sensitivity analysis*

At 31 December 2021, had the Hong Kong dollar strengthened/(weakened) by the following % in relation to all currencies, with all other variables held constant, the net asset value of the Sub-funds and the change in net assets attributable to unitholders per the Revenue Statement would have decreased/(increased) by the amounts shown below.

<i>As at 31 December 2021</i>												
Currency	Percentage change	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Australian Dollar	5%	-	43,924,685	-	-	-	-	-	4,310,821	442,609	-	-
Brazilian Real	5%	-	-	-	-	-	-	-	-	236,677	-	-
British Pound	5%	-	4	-	46,557,298	-	-	-	14,208,332	11,506,927	-	-
Canadian Dollar	5%	-	-	-	-	-	-	-	8,131,373	11,210,982	-	-
Chinese Yuan	5%	127,494	2,513,906	56,898,394	-	-	-	45,540,509	-	-	-	-
Czech Koruna	5%	-	-	-	-	-	-	-	116,100	-	-	-
Danish Krone	5%	-	-	-	12,877,977	-	-	-	839,254	132,057	-	-
Euro	5%	-	-	-	102,359,827	-	-	-	38,583,164	23,601,353	-	-
India Rupee	5%	-	46,536,566	-	-	-	-	-	-	464,128	-	-
Indonesia Rupiah	5%	-	7,033,884	-	-	-	-	-	-	72,837	-	-
Israeli New Sheqel	5%	-	-	-	-	-	-	-	-	60,345	-	-
Japanese Yen	5%	-	-	-	-	-	-	-	30,086,310	21,290,874	-	-
Malaysian Ringgit	5%	-	2,913,957	-	-	-	-	-	-	50,601	-	-
Mexican Peso	5%	-	-	-	-	-	-	-	2,649,840	1,846,054	-	-
New Zealand Dollar	5%	-	2,168,565	-	-	-	-	-	235,739	-	-	-
Norwegian Kroner	5%	-	-	-	5,562,110	-	-	-	1,511,420	-	-	-
Philippines Peso	5%	-	6,944,680	-	-	-	-	-	-	115,517	-	-
Poland Zlotych	5%	-	-	-	-	-	-	-	426,120	90,390	-	-
Singapore Dollar	5%	221,909	16,106,613	1,386,391	-	-	-	3,104,692	341,122	466,530	-	-
South African Rand	5%	-	-	-	-	-	-	-	143,965	-	-	-
South Korean Won	5%	-	34,808,035	-	-	-	-	-	0	312,772	-	-
Swedish Krona	5%	-	-	-	17,196,092	-	-	-	435,151	266,969	-	-
Swiss Franc	5%	-	-	-	30,630,665	-	-	-	838,399	7,563,180	-	-
Taiwan Dollar	5%	-	46,867,450	-	-	-	-	-	-	6,681,745	-	-

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*(a) Market risk (continued)*

*Currency risk sensitivity analysis (continued)*

		<i>As at 31 December 2021 (continued)</i>										
Currency	Percentage change	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Thai Baht	5%	-	6,763,924	-	-	-	-	-	147,977	73,880	-	-
Total		349,403	216,582,269	58,284,785	215,183,969	-	-	48,645,201	103,005,087	86,486,427	-	-
Increase in net assets value		0.0684%	3.2486%	1.1451%	4.8985%	-	-	0.3729%	1.7089%	1.9612%	-	-

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) *Market risk (continued)*

*Currency risk sensitivity analysis*

<i>As at 31 December 2020</i>												
Currency	Percentage change	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Australian Dollar	5%	-	47,624,128	-	-	-	-	-	4,726,479	2,075,993	-	-
Brazilian Real	5%	-	-	-	-	-	-	-	-	263,422	-	-
British Pound	5%	-	4	-	25,215,798	-	-	-	14,969,363	6,298,716	-	-
Canadian Dollar	5%	-	-	-	-	-	-	-	8,255,461	8,019,303	-	-
Chinese Yuan	5%	-	1,643,899	11,108,848	-	-	-	23,271,265	-	-	-	-
Czech Koruna	5%	-	-	-	-	-	-	-	128,051	-	-	-
Danish Krone	5%	-	-	-	8,720,613	-	-	-	925,465	3,423,957	-	-
Euro	5%	-	-	-	66,633,364	-	-	-	53,200,845	15,224,744	-	-
India Rupee	5%	-	37,934,778	-	-	-	-	-	-	487,009	-	-
Indonesia Rupiah	5%	-	1,291,131	-	-	-	-	-	-	-	-	-
Israeli New Sheqel	5%	-	-	-	-	-	-	-	-	118,026	-	-
Japanese Yen	5%	-	-	-	-	-	-	-	33,020,667	15,074,686	-	-
Malaysian Ringgit	5%	-	4,034,824	-	-	-	-	-	-	111,976	-	-
Mexican Peso	5%	-	-	-	-	-	-	-	4,661,375	178,714	-	-
New Zealand Dollar	5%	-	1,701,679	-	-	-	-	-	256,510	82,232	-	-
Norwegian Kroner	5%	-	-	-	1,124,198	-	-	-	1,616,345	97,691	-	-
Philippines Peso	5%	-	4,432,203	-	-	-	-	-	-	-	-	-
Poland Zlotych	5%	-	-	-	-	-	-	-	473,871	72,238	-	-
Singapore Dollar	5%	76,398	10,714,418	-	-	-	-	-	348,368	210,825	-	-
South African Rand	5%	-	-	-	-	-	-	-	155,909	60,474	-	-
South Korean Won	5%	-	50,408,882	-	-	-	-	-	-	4,399,855	-	-
Swedish Krona	5%	-	-	-	11,688,762	-	-	-	480,759	417,575	-	-
Swiss Franc	5%	-	-	-	15,873,063	-	-	-	907,479	5,252,144	-	-
Taiwan Dollar	5%	-	41,715,764	-	-	-	-	-	-	5,283,932	-	-

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) *Market risk (continued)*

*Currency risk sensitivity analysis (continued)*

		<i>As at 31 December 2020 (continued)</i>										
Currency	Percentage change	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Thai Baht	5%	-	5,093,488	-	-	-	-	-	174,087	89,543	-	-
Total		76,398	206,595,198	11,108,848	129,255,798	-	-	23,271,265	124,301,034	67,243,055	-	-
Increase in net assets value		0.0264%	3.1066%	0.2087%	4.8637%	-	-	0.1685%	2.0737%	2.1748%	-	-

As HKD is pegged to USD, the risk of movement in exchange rates between HKD and USD is insignificant.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(a) Market risk (continued)**

*Interest rate risk*

The Sub-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 benchmark as described in the Manager's report and keeping deviations within certain limits is an important way of controlling relative interest rate risk. For example, if a benchmark has a duration of 5 years, the Manager may keep the portfolio duration in a range of 5 +/-2 years to control interest rate risk relative to the benchmark. The Manager 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 optimizing total portfolio returns from the two sources i.e. running yield and expected price changes.

Some Sub-funds may not have internal underlying benchmarks. For such Sub-funds (especially money market type funds), the Manager may use a laddering technique to control duration risk. Such a technique involves staggering investment maturities over different time buckets to reduce reinvestment and price risk arising from interest rate changes.

The following table details the Sub-funds' exposure to interest rate risks. It includes the Sub-funds' assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities:



# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) Market risk (continued)

##### Interest rate risk (continued)

##### As at 31 December 2021

	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Assets</b>											
Cash at banks	25,559,794	218,799,263	174,675,643	100,600,507	216,505,850	60,189,128	288,257,277	211,794,241	154,216,135	99,794,661	76,908,953
Time deposit - 1 year or less	-	-	-	-	-	1,089,376,922	-	-	-	-	-
	<u>25,559,794</u>	<u>218,799,263</u>	<u>174,675,643</u>	<u>100,600,507</u>	<u>216,505,850</u>	<u>1,149,566,050</u>	<u>288,257,277</u>	<u>211,794,241</u>	<u>154,216,135</u>	<u>99,794,661</u>	<u>76,908,953</u>
Financial assets measured at fair value through profit or loss											
- 1 year or less	37,142,066	-	-	-	1,132,023,315	1,657,259,699	-	278,657,097	-	37,610,978	-
- over 1 year to 5 years	219,333,944	-	-	-	2,396,244,957	789,797,447	-	2,277,909,477	-	1,135,475,223	-
- over 5 year to 10 years	154,322,678	-	-	-	2,519,224,114	-	-	1,396,165,934	-	1,258,174,067	-
- over 10 years	71,351,192	-	-	-	490,434,519	-	-	1,823,529,066	-	62,645,413	-
- non-interest bearing investment	-	6,458,930,582	4,916,693,363	4,298,131,552	-	-	12,755,351,495	-	4,252,401,801	-	6,201,438,826
	<u>482,149,880</u>	<u>6,458,930,582</u>	<u>4,916,693,363</u>	<u>4,298,131,552</u>	<u>6,537,926,905</u>	<u>2,447,057,146</u>	<u>12,755,351,495</u>	<u>5,776,261,574</u>	<u>4,252,401,801</u>	<u>2,493,905,681</u>	<u>6,201,438,826</u>
Other non-interest-bearing assets	<u>4,146,412</u>	<u>42,542,091</u>	<u>31,693,600</u>	<u>6,072,600</u>	<u>61,850,135</u>	<u>21,604,119</u>	<u>83,149,298</u>	<u>43,276,498</u>	<u>6,088,244</u>	<u>19,787,830</u>	<u>11,247,206</u>
	<u>511,856,086</u>	<u>6,720,271,936</u>	<u>5,123,062,606</u>	<u>4,404,804,659</u>	<u>6,816,282,890</u>	<u>3,618,227,315</u>	<u>13,126,758,070</u>	<u>6,031,332,313</u>	<u>4,412,706,180</u>	<u>2,613,488,172</u>	<u>6,289,594,985</u>
<b>Liabilities</b>											
Non-interest-bearing liabilities	<u>1,343,018</u>	<u>53,373,300</u>	<u>33,139,853</u>	<u>11,972,560</u>	<u>11,248,868</u>	<u>3,554,504</u>	<u>80,139,389</u>	<u>3,621,099</u>	<u>2,838,098</u>	<u>972,534</u>	<u>13,344,355</u>
<b>Net assets attributable to unitholders</b>	<u>510,513,068</u>	<u>6,666,898,636</u>	<u>5,089,922,753</u>	<u>4,392,832,099</u>	<u>6,805,034,022</u>	<u>3,614,672,811</u>	<u>13,046,618,681</u>	<u>6,027,711,214</u>	<u>4,409,868,082</u>	<u>2,612,515,638</u>	<u>6,276,250,630</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) Market risk (continued)

#### Interest rate risk (continued)

As at 31 December 2020

	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
<b>Assets</b>											
Cash at banks	16,207,902	103,917,556	108,050,778	53,181,623	164,885,836	26,113,848	175,280,097	242,516,036	73,894,691	98,453,678	85,571,806
Time deposit - 1 year or less	-	-	-	-	-	1,218,002,723	-	-	-	-	-
	<u>16,207,902</u>	<u>103,917,556</u>	<u>108,050,778</u>	<u>53,181,623</u>	<u>164,885,836</u>	<u>1,244,116,571</u>	<u>175,280,097</u>	<u>242,516,036</u>	<u>73,894,691</u>	<u>98,453,678</u>	<u>85,571,806</u>
Financial assets measured at fair value through profit or loss											
- 1 year or less	-	-	-	-	772,324,367	1,707,841,323	-	598,026,287	-	25,469,607	-
- over 1 year to 5 years	107,150,295	-	-	-	2,849,733,700	573,126,179	-	1,791,764,526	-	1,197,186,961	-
- over 5 year to 10 years	129,853,543	-	-	-	2,567,673,496	-	-	1,879,692,673	-	1,461,892,536	-
- over 10 years	34,074,322	-	-	-	578,653,548	-	-	1,442,150,027	-	104,409,643	-
- non-interest bearing investment	-	6,545,516,260	5,199,838,609	2,605,690,756	-	-	13,590,042,446	-	3,016,013,203	-	4,270,981,306
	<u>271,078,160</u>	<u>6,545,516,260</u>	<u>5,199,838,609</u>	<u>2,605,690,756</u>	<u>6,768,385,111</u>	<u>2,280,967,502</u>	<u>13,590,042,446</u>	<u>5,711,633,513</u>	<u>3,016,013,203</u>	<u>2,788,958,747</u>	<u>4,270,981,306</u>
Other non-interest-bearing assets	2,844,258	40,009,290	40,901,105	44,436,099	77,502,803	36,393,228	88,060,634	45,147,945	3,819,711	20,529,026	4,874,930
	<u>290,130,320</u>	<u>6,689,443,106</u>	<u>5,348,790,492</u>	<u>2,703,308,478</u>	<u>7,010,773,750</u>	<u>3,561,477,301</u>	<u>13,853,383,177</u>	<u>5,999,297,494</u>	<u>3,093,727,605</u>	<u>2,907,941,451</u>	<u>4,361,428,042</u>
<b>Liabilities</b>											
Non-interest-bearing liabilities	423,868	39,300,624	26,788,932	45,752,878	20,107,308	4,127,656	39,944,376	4,992,042	1,782,886	929,346	3,082,786
<b>Net assets attributable to unitholders</b>	<u>289,706,452</u>	<u>6,650,142,482</u>	<u>5,322,001,560</u>	<u>2,657,555,600</u>	<u>6,990,666,442</u>	<u>3,557,349,645</u>	<u>13,813,438,801</u>	<u>5,994,305,452</u>	<u>3,091,944,719</u>	<u>2,907,012,105</u>	<u>4,358,345,256</u>

# PRINCIPAL LIFE STYLE FUND

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 23. 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 end of the reporting period would have changed the NAV of the respective Sub-funds and the change in net assets attributable to unitholders by the percentage shown below. The analysis was performed on the same basis for 2020.

	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>As at 31 December 2021</b>											
Increase 100 basis points in interest rate	(5.26)%	-	-	-	(4.20)%	(0.57)%	-	(7.23)%	-	(4.32)%	-
Decrease 100 basis points in interest rate	5.94%	-	-	-	4.57%	0.57%	-	7.23%	-	4.32%	-
	Principal Asian Bond Fund	Principal Asian Equity Fund	Principal China Equity Fund	Principal European Equity Fund	Principal Hong Kong Bond Fund	Principal Hong Kong Dollar Savings Fund	Principal Hong Kong Equity Fund	Principal International Bond Fund	Principal International Equity Fund	Principal Pension Bond Fund	Principal U.S. Equity Fund
<b>As at 31 December 2020</b>											
Increase 100 basis points in interest rate	(6.06)%	-	-	-	(4.45)%	(0.43)%	-	(7.09)%	-	(4.66)%	-
Decrease 100 basis points in interest rate	6.66%	-	-	-	4.82%	0.43%	-	7.09%	-	4.66%	-

##### 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. This risk can be mitigated by constructing a diversified portfolio of investments i.e. diversified by asset class or geographies (global vs. country specific) or both. The Manager manages such risks by regularly monitoring portfolio exposures, both on an absolute basis and relative to underlying benchmarks, if any. For example, if a Sub-fund benchmark has an exposure of x% in a particular stock and of y% in a particular country, the Manager may manage exposure to that stock in his portfolio within x+/-10% and to the country at y+/-10%. Other risks relating to liquidity, sector exposures etc. are also managed in a similar manner.

The percentage breakdown of the investment assets held by each Sub-fund has been stated in the statement of movements in portfolio holdings of the Investment Report.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) *Market risk (continued)*

*Other price risk sensitivity analysis*

As at year end, the overall market exposures were as follows: a decrease in prices of all the underlying investments of each Sub-fund at the year end by the below percentages would have decreased the NAV of the respective Sub-funds and the change in net assets attributable to unitholders by the amounts shown below; an equal change in the opposite direction would have increased the NAV by an equal but opposite amount. The analysis for 2020 was performed by applying the same percentage change in prices of all the underlying investments as at year end.

*As at 31 December 2021*

	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Overall market exposure	482,149,880	6,458,930,582	4,916,693,363	4,298,131,552	6,537,926,905	2,447,057,146	12,755,351,495	5,776,261,574	4,252,401,801	2,493,905,681	6,201,438,826
% change in prices	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Change in NAV	48,214,988	645,893,058	491,669,336	429,813,155	653,792,691	244,705,715	1,275,535,150	577,626,157	425,240,180	249,390,568	620,143,883

*As at 31 December 2020*

	Principal Asian Bond Fund HK\$	Principal Asian Equity Fund HK\$	Principal China Equity Fund HK\$	Principal European Equity Fund HK\$	Principal Hong Kong Bond Fund HK\$	Principal Hong Kong Dollar Savings Fund HK\$	Principal Hong Kong Equity Fund HK\$	Principal International Bond Fund HK\$	Principal International Equity Fund HK\$	Principal Pension Bond Fund HK\$	Principal U.S. Equity Fund HK\$
Overall market exposure	271,078,160	6,545,516,260	5,199,838,609	2,605,690,756	6,768,385,111	2,280,967,502	13,590,042,446	5,711,633,513	3,016,013,203	2,788,958,747	4,270,981,306
% change in prices	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Change in NAV	27,107,816	654,551,626	519,983,861	260,569,076	676,838,511	228,096,750	1,359,004,245	571,163,351	301,601,320	278,895,875	427,098,131

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. 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 amounts due on time. The Sub-funds' 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 Manager performs this review on a regular basis. The Sub-funds' credit risk is also mitigated through diversification and control of exposure to any single issuer in the Sub-fund.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the year end date. At the end of the reporting period, each Sub-funds' financial assets exposure to credit risk is equivalent to the amounts shown on the statement of financial position.

Credit risk 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). Additionally, there is a risk of downgrading of securities i.e. securities ratings getting downgraded by rating agencies which may cause the value of the securities to drop significantly. Typically, in instances where a holding's credit rating of an investment falls below the above minimum ratings, the Manager will dispose of it as soon as practical.

At the end of the reporting period, the Sub-funds invested in debt securities with the following credit quality expressed as a percentage of net assets:

***As at 31 December 2021***

Rating	% of net assets				
	<i>Princiapl Asian Bond Fund</i>	<i>Princiapl Hong Kong Bond Fund</i>	<i>Princiapl Hong Kong Dollar Savings Fund</i>	<i>Princiapl International Bond Fund</i>	<i>Princiapl Pension Bond Fund</i>
Aaa/AAA	4.36	0.30	0.00	37.08	1.06
Aa1/AA+	1.23	10.53	3.97	0.00	0.00
Aa2/AA	3.93	1.33	2.10	4.78	2.54
Aa3/AA-	1.28	22.31	4.50	4.81	1.29
A1/A+	13.09	21.44	15.33	12.76	7.22
A2/A	7.74	12.77	11.09	4.95	10.42
A3/A-	11.21	15.91	22.33	6.22	10.16
Baa1/BBB+	9.97	0.98	0.00	9.84	22.54
Baa2/BBB	25.59	0.00	0.00	11.19	24.77
Baa3/BBB-	16.04	0.00	0.00	4.20	15.46
Certificate of deposits without credit rating	0.00	10.50	8.38	0.00	0.00
Total	94.44	96.07	67.70	95.83	95.46

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

As at 31 December 2020

Rating	% of net assets				
	<i>Princiapl Asian Bond Fund</i>	<i>Princiapl Hong Kong Bond Fund</i>	<i>Princiapl Hong Kong Dollar Savings Fund</i>	<i>Princiapl International Bond Fund</i>	<i>Princiapl Pension Bond Fund</i>
Aaa/AAA	4.28	0.00	0.00	37.83	0.43
Aa1/AA+	0.71	12.04	2.45	1.01	1.49
Aa2/AA	2.73	10.99	4.77	3.72	1.98
Aa3/AA-	1.32	15.81	3.09	5.97	1.36
A1/A+	12.42	17.32	22.76	11.67	2.06
A2/A	9.33	17.88	3.03	4.15	14.39
A3/A-	8.20	6.65	4.48	5.06	12.94
Baa1/BBB+	13.45	1.06	0.00	11.65	27.01
Baa2/BBB	24.09	0.00	0.00	8.23	22.13
Baa3/BBB-	17.03	0.00	0.00	6.00	12.12
Certificate of deposits without credit rating	0.00	15.06	23.54	0.00	0.00
Total	93.56	96.81	64.12	95.29	95.91

Apart from the above Sub-funds, the other Sub-funds did not invest in any debt securities.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the good credit quality of the brokers used. The Manager monitors the credit rating and financial positions of the brokers used to further mitigate this risk.

Substantially all the cash at banks held by the Sub-funds are placed with reputable financial institutions. The Trustee monitors the risk by monitoring the credit rating and financial positions 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.

Substantially all the securities of the Sub-funds are held by Citibank, N.A., as the sub-custodian of the Sub-funds. Bankruptcy or insolvency of the custodian may cause the Sub-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 positions of the custodian.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(b) Credit risk (continued)**

Financial assets subject to HKFRS 9's impairment requirements

The Sub-funds' financial assets subject to the expected credit loss model within HKFRS 9 are only short-term trade receivables, other receivables and cash at banks. At 31 December 2021, the total of short-term trade receivables, other receivables and cash at banks was HK\$3,047,611,374 on which no loss allowance had been provided (31 December 2020: total of HK\$2,770,412,941 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 considered to be in default if it has not been received 30 days after it is due.

As trade receivables are impacted by the HKFRS 9 ECL model, the Sub-funds have 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: interest and dividend receivables; amounts receivable from brokers; amounts receivable on subscriptions.

Financial assets not subject to HKFRS 9's impairment requirements

The Sub-funds are exposed to credit risk on debt instruments, money market funds and similar securities and derivative assets. 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 Sub-funds' 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 Sub-funds are exposed to daily liquidity risk on redemptions of units. This arises from the risk that the Manager may not be able to convert investments into cash to meet liquidity needs in a timely manner. To guard against this risk, stock selection considerations include analysis of factors like daily trading volumes, bid-offer spreads, availability of prices from brokers at short notice. The Sub-funds' financial instruments include mainly investments in listed equity securities and quoted debt securities. They are mainly traded either on stock exchanges or over-the-counter markets and are generally liquid. As a result, in most situations, the Sub-funds should be able to reasonably quickly liquidate their investments in these instruments at close to their fair values in order to meet the liquidity requirements. Under extreme market conditions, liquidation of instruments may have to be done at lower prices.

The Sub-funds are not exposed to other activities which give rise to significant liquidity risk.

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*(d) Specific instruments*

*Derivatives*

The Sub-funds may not enter into any financial futures contracts or financial options contracts. The Manager currently does not undertake any derivatives transactions, except those permitted under the rules of the Authority, i.e. trading in forward contracts for hedging purpose.

*As at 31 December 2021*

As at the year end, the holdings in derivatives translated into the currencies were listed in the table below:

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Australia and New Zealand Banking Group Limited</b>					
Principal Asian Bond Fund	Currency forward	February 2022	Buy USD/sell SGD	550,513	(43,836)
Principal Asian Bond Fund	Currency forward	March 2022	Buy USD/sell CNH	321,354	(8,181)
Assets/(liabilities)					(52,017)
Net asset values					510,513,068
% of Net asset values					(0.01)

**Issuer: Australia and New Zealand Banking Group Limited**

Principal European Equity Fund	Currency forward	March 2022	Buy EUR/sell HKD	1,857,589	140,451
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell CHF	189,473,239	(2,163,567)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell CHF	14,498,551	(159,243)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell DKK	89,057,848	(236,448)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell EUR	16,233,231	(27,184)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell EUR	17,734,055	(131,364)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/sell SEK	103,494,743	137,511



PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(d) Specific instruments (continued)**

*Derivatives (continued)*

***As at 31 December 2021 (continued)***

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Citibank, N.A.</b>					
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell EUR	330,934,598	(813,682)
<b>Issuer: Royal Bank of Canada</b>					
Principal European Equity Fund	Currency forward	March 2022	Buy EUR/ sell HKD	1,877,390	112,435
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell EUR	20,099,160	(51,192)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell EUR	330,905,494	(842,796)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell EUR	17,262,943	(87,582)
<b>Issuer: State Street Bank and Trust Company</b>					
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell GBP	14,651,375	(142,736)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell GBP	289,486,041	(6,928,549)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell NOK	25,335,520	(210,409)
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell USD	21,893,673	3,876
Principal European Equity Fund	Currency forward	March 2022	Buy HKD/ sell USD	51,282,492	6,776
Principal European Equity Fund	Currency forward	March 2022	Buy USD/ sell HKD	3,642,567	(3,811)
Principal European Equity Fund	Currency forward	March 2022	Buy USD/ sell HKD	2,500,822	(17,293)
Assets/(liabilities)					<u>(11,414,807)</u>
Net asset values					4,392,832,099
% of Net asset values					(0.26)

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*(d) Specific instruments (continued)*

*Derivatives (continued)*

*As at 31 December 2021 (continued)*

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Goldman Sachs</b>					
Principal International Bond Fund	Currency forward	March 2022	Buy USD/ sell CAD	3,901,105	(441,295)
Principal International Bond Fund	Currency forward	March 2022	Buy USD/ sell EUR	9,438,503	(100,664)
<b>Issuer: Barclays Bank</b>					
Principal International Bond Fund	Currency forward	March 2022	Buy USD/ sell GBP	10,657,912	<u>(1,360,449)</u>
Assets/(liabilities)					<u>(1,902,408)</u>
Net asset values					6,027,711,214
% of Net asset values					(0.03)

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**(d) Specific instruments (continued)**

*Derivatives (continued)*

**As at 31 December 2020**

As at the year end, the holdings in derivatives translated into the currencies were listed in the table below:

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Australia and New Zealand Banking Group Limited</b>					
Principal Asian Bond Fund	Currency forward	February 2021	Buy USD/ sell SGD	186,388	(21,517)
Assets/(liabilities)					(21,517)
Net asset values					289,706,452
% of Net asset values					(0.01)

**Issuer: Australia and New Zealand Banking Group Limited**

Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell USD	395,005,800	(18,020)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell GBP	3,010,107	(50,568)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell CHF	4,553,894	(6,146)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell EUR	13,991,703	(86,764)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell GBP	9,936,121	(52,546)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell GBP	9,081,759	(983)

**Issuer: Citibank, N.A.**

Principal European Equity Fund	Currency forward	March 2021	Buy USD/ sell CHF	12,120,249	(432,754)
Principal European Equity Fund	Currency forward	March 2021	Buy USD/ sell DKK	6,796,841	(440,813)

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*(d) Specific instruments (continued)*

*Derivatives (continued)*

*As at 31 December 2020 (continued)*

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Citibank, N.A. (continued)</b>					
Principal European Equity Fund	Currency forward	March 2021	Buy USD/ sell GBP	19,685,581	(3,993,017)
Principal European Equity Fund	Currency forward	March 2021	Buy USD/ sell SEK	9,692,233	(1,802,223)
<b>Issuer: Royal Bank of Canada</b>					
Principal European Equity Fund	Currency forward	March 2021	Buy USD/ sell EUR	53,349,829	(3,520,174)
<b>Issuer: State Street Bank and Trust Company</b>					
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell EUR	11,827,649	17,037
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell EUR	9,891,568	7,463
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell USD	395,005,800	(20,825)
Principal European Equity Fund	Currency forward	March 2021	Buy HKD/ sell USD	12,580,448	(1,371)
Assets/(liabilities)					<u>(10,401,704)</u>
Net asset values					2,657,555,600
% of Net asset values					(0.39)
<b>Issuer: Goldman Sachs</b>					
Principal International Bond Fund	Currency forward	March 2021	Buy USD/ sell CAD	3,875,068	(389,966)
Principal International Bond Fund	Currency forward	March 2021	Buy USD/ sell EUR	10,116,580	(421,637)

PRINCIPAL LIFE STYLE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2021

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*(d) Specific instruments (continued)*

*Derivatives (continued)*

*As at 31 December 2020 (continued)*

Investment fund	Type of contract	Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
<b>Issuer: Australia and New Zealand Banking Group Limited</b>					
Principal International Bond Fund	Currency forward	March 2021	Buy USD/sell GBP	10,784,320	(1,208,883)
Principal International Bond Fund	Currency forward	March 2021	Buy USD/sell DKK	982,534	<u>(40,511)</u>
Assets/(liabilities)					<u>(2,060,997)</u>
Net asset values					5,994,305,452
% of Net asset values					(0.03)

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and Manager on 27 April 2022.

**Independent auditor's assurance report**

**To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund (Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

We have audited the financial statements of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund (each a separate sub-fund of Principal Life Style Fund and referred to individually or collectively as the "Sub-funds") for the year ended 31 December 2021 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 27 April 2022.

Pursuant to Guidelines II.5 and Code on MPF Investment Funds issued by the Mandatory Provident Fund Schemes Authority (the "Authority"), we are required to report whether the Sub-funds complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance (the "Ordinance") and the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), which are made applicable to the Sub-funds through the Code on MPF Investment Funds.

**Trustee and the Manager's Responsibility**

The General Regulation requires the trustee and the manager to ensure that:

- (a) proper accounting and other records are kept in respect of the Sub-funds' assets and all financial transactions entered into in relation to the Sub-funds;
- (b) the requirements specified in the guidelines made by the Authority under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 51 and 52 of, and Schedule 1 to, the General Regulation, which are made applicable to the Sub-funds through the Code on MPF Investment Funds, are complied with; and
- (c) the Sub-funds' assets are not subject to any encumbrance, otherwise than as permitted by section 65 of the General Regulation.

**Our Independence and Quality Control**

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 Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Independent auditor's assurance report (continued)**

**To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund  
(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

**Auditor's Responsibility**

Our responsibility is to report on the Sub-funds' 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 PN 860.1 issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance about whether the Sub-funds have 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, which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Sub-funds' 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 2021 in respect of the Sub-funds' assets and all financial transactions entered into in relation to the Sub-funds; and
  - (b) the requirements specified in the guidelines made by the Authority under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 51 and 52 of, and Schedule 1 to, the General Regulation, which are made applicable to the Sub-funds through the Code on MPF Investment Funds, have been complied with, in all material respects, as at 31 December 2021, 31 July 2021, and 31 March 2021;
2. as at 31 December 2021, the assets of the Sub-funds were not subject to any encumbrance, otherwise than as permitted by section 65 the General Regulation, which are made applicable to the Sub-funds through the Code on MPF Investments Funds.

Independent auditor's assurance report (continued)

To the unitholders of Principal Asian Bond Fund, Principal Asian Equity Fund, Principal China Equity Fund, Principal European Equity Fund, Principal Hong Kong Bond Fund, Principal Hong Kong Dollar Savings Fund, Principal Hong Kong Equity Fund, Principal International Bond Fund, Principal International Equity Fund, Principal Pension Bond Fund and Principal U.S. Equity Fund  
(Sub-funds of Principal Life Style Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Intended Users and Purpose

This report is intended solely for submission by the trustee and the manager to the Authority and is not intended to be, and should not be, used by anyone for any other purpose.



Certified Public Accountants  
Hong Kong  
27 April 2022