

Preferred Securities Fund - D Class Income Units

28 February 2025

Investment manager

Principal Global Investors, LLC ("PGI")

Sub investment manager

Spectrum Asset Management, Inc. ("Spectrum")

Spectrum specialises in the management of preferred securities.

Fund managers

Kevin Nugent

41 Yrs Industry Exp

Manu Krishnan, CFA

21 Yrs Industry Exp

Mark A. Lieb

48 Yrs Industry Exp

L. Phillip Jacoby, IV

43 Yrs Industry Exp

Bob Giangregorio

22 Yrs Industry Exp

Fred Diaz

33 Yrs Industry Exp

Satomi Yarnell

16 Yrs Industry Exp

Investment objective

The Fund seeks to provide an income return consistent with capital preservation. The Fund seeks to achieve its objective by investing primarily in a portfolio of U.S. dollar denominated preferred securities and debt securities. At the time of the Fund's investment the majority of these securities will be rated as investment grade. Any exposure to currencies other than US dollar will be hedged back to US dollars.

Index

BBG GLOBAL AGG CORP USD TR

Fund facts

| | |
|---------------------|-----------------------|
| Fund size | \$4.34b |
| Base currency | USD |
| Fund domicile | IRELAND |
| UCITS qualifying | Yes |
| Dealing | 10:00 AM GMT Daily |
| | 5pm Hong Kong SAR |
| SFDR Categorisation | Article 8 |

Unit class facts

| | |
|-------------------------|--------------|
| Launch date | 06 Oct 2009 |
| Currency | USD |
| Minimum investment | US\$ 1,000 |
| Management fee(s) | 0.60% pa |
| Income distribution | Distributing |
| Distribution frequency: | Quarterly |

Fund grading

Mark Lieb, Bob Giangregorio, and Manu Krishnan AA rated - Citywire Fund Manager Ratings



Performance (%)

| | 1M | 3M | YTD | 1YR | 3YR | 5YR | 10YR |
|---------------------|------|------|------|------|------|-------|-------|
| Fund Cumulative Net | 0.62 | 1.11 | 1.29 | 7.80 | 9.69 | 10.83 | 39.05 |
| Index Cumulative | 1.99 | 0.77 | 2.58 | 6.75 | 1.94 | 1.43 | 29.00 |
| Fund Annualised Net | 0.62 | 1.11 | 1.29 | 7.80 | 3.13 | 2.08 | 3.35 |
| Index Annualised | 1.99 | 0.77 | 2.58 | 6.75 | 0.64 | 0.28 | 2.58 |

12-month rolling return (%)

| Mar 20 - Feb 21 | Mar 21 - Feb 22 | Mar 22 - Feb 23 | Mar 23 - Feb 24 | Mar 24 - Feb 25 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 3.55 | -2.43 | -4.23 | 6.26 | 7.80 |

Risk analysis

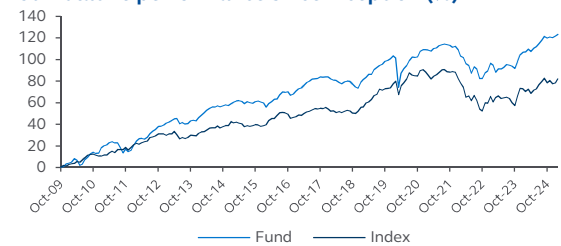
| | 3YR | 5YR |
|--------------------|-----|-----|
| Information Ratio | 0.5 | 0.3 |
| Alpha | 0.9 | 1.4 |
| Tracking Error | 5.5 | 5.6 |
| Standard Deviation | 6.6 | 9.0 |
| Beta | 0.6 | 0.8 |

Past performance is not a reliable indicator of future performance.

Source: Fund Administrator: BNY Mellon Fund Services (Ireland) DAC since February 2011, performance data prior to this date is sourced from PGI and/or its affiliates; and the Index.

Data: From December 2018, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. The performance data shown is net of fees and other charges but excludes any potential entry/exit charges- as such the return an investor receives may be lower. Prior to December 2018, the performance data shown is based upon the Fund's month-end market close prices. (See performance note for further details.)

Cumulative performance since inception (%)



Fund analysis

| | Fund | Index |
|------------------------|------|-------|
| Average Credit Quality | Baa2 | A3 |
| Current Yield | 6.0 | 4.6 |
| Yield to Worst | 5.6 | 5.1 |
| Yield to Maturity | 7.0 | 5.1 |
| Modified Duration | 3.9 | 6.5 |

Any yields quoted on the fact sheet are calculated at portfolio level gross of tax and expenses.

- Current Yield is the annual interest earned on the underlying bonds divided by the market price of the underlying portfolio of bonds. The figure is not the dividend yield received by the investors and is subject to change depending on the underlying portfolio of bonds.
- Yield to Worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making the worst-case scenario assumptions on the issue.
- Yield to Maturity is a concept used to determine the rate of return an investor will receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. Please note that this is not the return or dividend to be received by investors in the fund.

Top 10 holdings (%)

| | Fund |
|--|-------------|
| Zurich Finance Ireland 3 1/31-51 REG S | 2.6 |
| PGIF High Grade Capital Securities Fund | 2.2 |
| PGIF Capital Securities Fund | 2.2 |
| Enterprise Products Oper 5.25 8/27-77 | 2.1 |
| Toronto Dominion Bank 8.125 10/27-82 | 1.9 |
| Royal Bank of Canada 6.35 11/34-84 | 1.8 |
| Intesa SanPaolo SPA 7.70 9/25-49 144A | 1.8 |
| Bank Of Nova Scotia 4.9 6/25 perp | 1.6 |
| Enbridge Inc 6 1/27-77 | 1.6 |
| Nippon Life Insurance 2.75 1/31-51 Reg S | 1.6 |
| Total | 19.3 |

No. of holdings 254

Credit quality (%)

| | Fund |
|-----------------|------|
| AA/AAA and cash | 0.2 |
| A | 18.7 |
| BBB | 64.0 |
| BB and Lower | 12.4 |
| FX Hedge | 0.0 |
| UCITS Fund | 4.4 |
| Not Rated | 0.2 |

Credit Quality refers to the credit ratings for the underlying securities in the Fund as rated by Standard & Poor's or Moody's Investors Service, and typically range from AAA/Aaa (highest) to C/D (lowest). If Moody's and S&P assign different ratings, the higher rating is used. Ratings methodologies and individual ratings can change over time.

Geographic allocation (%)

| | Fund |
|---------------|------|
| United States | 34.4 |
| Canada | 14.9 |
| Switzerland | 8.9 |
| Great Britain | 8.7 |
| France | 5.4 |
| Japan | 4.5 |
| Ucits Fund | 4.4 |
| Netherlands | 3.5 |
| Germany | 3.3 |
| Spain | 2.8 |
| Sweden | 2.1 |
| Italy | 2.0 |
| Australia | 1.9 |
| Other | 2.8 |
| Cash | 0.2 |

Industry allocation (%)

| | Fund |
|--------------------|------|
| Banks | 49.5 |
| Insurance | 27.4 |
| Utilities | 9.1 |
| Energy | 6.6 |
| UCITS Fund | 4.4 |
| Financials | 1.2 |
| REITs | 0.8 |
| Industrials | 0.7 |
| Telecommunications | 0.1 |
| Other | 0.0 |
| Cash | 0.2 |

For additional information on UCITS fund investments please follow the links below:

[Principal High Grade Capital Securities I Class Accumulation Unhedged Units](#)

[Principal Capital Securities I Class Accumulation Unhedged Units](#)

Source: Principal Global Investors and/or its affiliates and the Index. Characteristics sources: Bloomberg, Moody's, S&P, Fitch, and Spectrum Asset Management.

Data: This data/analysis is not sourced from the Fund's official record. It is based upon data from the internal systems of Principal Global Investors and/or its affiliates. Performance shown in this section is gross which does not take into account any fees or other charges which, if taken into account, would reduce the figures shown.

Fund codes

| | |
|-----------|--------------|
| Bloomberg | PGIPSDI ID |
| ISIN | IE00B45QYL94 |
| Lipper | 68027157 |
| SEDOL | B45QYL9 |
| CUSIP | G7244T175 |
| Valoren | 10662065 |
| WKN | A1JBG7 |

Registration

Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Hong Kong SAR, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Macau, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, UAE and UK

Not all unit classes are registered in the listed countries, please contact your sales representative for more details. In Italy, the Fund is registered for Qualified Investors only and in Singapore, the Fund is registered as a Restricted Scheme for institutional investors and relevant persons defined in the SFA.

Risk warnings

- The market value of debt securities is affected by changes in prevailing interest rates and the Fund may be exposed to credit risk by investing in debt securities.
- Default risk and liquidity risk associated with investment in below investment grade securities.
- Contingent Convertible Securities risk is due by the substantially greater risk that these instruments may have compared to other forms of securities in times of credit stress and may result in a material loss to the Fund.
- This shareclass is unhedged. Unhedged shareclasses are exposed to greater risk and volatility. Please note the fund does have hedged shareclasses available.

Performance note

*Index disclosure: The Fund is actively managed and aims to outperform the BBG GLOBAL AGG CORP USD TR (the "Index"). However, the Index composition is not factored into the investment management process and the portfolio manager maintains full discretion to select investments for the Fund in line with the above investment policy.

This document presents the performance of this particular unit class of the Fund from the date of inception of the unit class in its unit class currency, as specified on the front page. Performance since inception date of the Fund, which precedes the inception date of the unit class, is available upon request.

Prior to 31st December 2018, the data performance calculations reflect the month-end market close prices of the Fund's assets. After 1 January 2019, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. As a result, it is possible that the stated performance and the actual investment returns available to investors will differ.

The performance data shown is net of fees and other charges but excludes any potential entry/exit charges – as such the returns an investor receives may be lower.

Disclosure

Principal Global Investors ("PGI") is the asset management arm of the Principal Financial Group, and includes (amongst other entities): Principal Global Investors LLC ("PGI LLC"), Principal Global Investors (Europe) Limited ("PGIE") and any Sub-Investment Managers to the Fund. PGIE has been appointed as Distributor for the Fund and has identified that the Fund is compatible with the needs, characteristics and objectives of both institutional and retail investors. Please note however that PGI does not distribute directly to retail investors who should seek independent investment advice before deciding whether the fund in question is suitable to meet their investment needs and objectives.

Full details of the risks associated with investing in the Fund are detailed in the Fund Prospectus, Supplement and Key Investor Information Document ("KIID"). All fees and charges related to the Fund may not be contained within this document. Information regarding the costs and charges associated with the Fund is provided in the MiFID II ex-ante disclosure. These documents are available on our website at PrincipalAM.com and you are advised to read them before investing so you can make an informed decision about whether to invest. Any person selling or advising you about the Fund may charge you additional costs and you should request information about those costs and charges from that person.

This document is intended for information purposes only. It is not an offer or a solicitation to anyone to subscribe for units in the Fund. It should not be construed as investment advice. There is no guarantee that the investment objective of the Fund will be achieved. Commentary is based on current market conditions, there is no assurance that such events or projections will occur and actual conditions may be significantly different. Expressions of opinion and predictions within this document are accurate as of the date of issuance and subject to change without notice. Reference to a specific investment or security does not constitute a recommendation to buy, sell or hold such investment or security, and is provided for illustrative purposes. Percentages do not always add up to 100% due to rounding.

The Fund may offer different unit classes which may be subject to different fees and expenses (which could affect performance) and may not be available to all investors. Where the Fund offers hedged unit classes, returns of such unit classes may diverge from that of unit classes denominated in the base currency of the Fund and the hedged unit class currency.

The figures published are for information purposes only and provide details of the performance of a comparable index. The method of calculating performance may differ between the Fund and its index. Further, it is not possible to invest in an index.

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The following indices were used for the Fund between the dates specified: Inception to 30 September 2008, Lehman Aggregate Index or BofA Merrill Lynch Preferred Stock Index; 1 October 2008 to 31 March 2011, 65% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 35% Barclays Capital CapSec Tier 1 Index; 1 April 2011 to 28 February 2014, 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 50% Barclays Capital CapSec Tier 1 Index; and 28 February 2014 to 30 July 2018, 50% BofA Merrill Lynch Fixed Rate Preferred Securities and 50% BofA Merrill Lynch US Capital Securities Index. On 30 July 2018, the index for the Fund changed to the current Index and on that date the index returns presented in this factsheet from inception of the Fund were amended to solely show those of the current index. Index returns for the other indices will be provided upon request.

Contact us

For more information on the fund, please contact:

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Important information

The Investment Objective as stated in this document is a summary, please refer to the supplement for full details of the Investment Objective and Policy of the Fund.

Source & Copyright: CITYWIRE. Portfolio managers are AA rated by Citywire for 3 year risk-adjusted performance for the period 31 January 2022 - 31 January 2025. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

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