

Preferred Securities Fund - A Class Inc Units (USD)

31 March 2023

Investment advisor

Principal Global Investors, LLC

Sub investment advisor

Spectrum Asset Management† specialises in the management of preferred securities. Principal Global Investors, LLC has been appointed as Investment Advisor to the Fund, and has appointed Spectrum Asset Management, Inc. as the Sub-Investment Advisor.

Fund managers

Mark A. Lieb

46 Yrs Industry Exp

L. Phillip Jacoby, IV

41 Yrs Industry Exp

Manu Krishnan, CFA

19 Yrs Industry Exp

Bob Giangregorio

20 Yrs Industry Exp

Fred Diaz

31 Yrs Industry Exp

Kevin Nugent

39 Yrs Industry Exp

Satomi Yarnell

13 Yrs Industry Exp

Investment objective

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of US dollar denominated preferred securities and debt securities, including convertible bonds and contingent convertible securities (CoCos).

Index

BBG GLOBAL AGG CORP USD TR

Fund facts

Fund size	\$3,952.5m
Launch date	27 Feb 2005
Fund base currency	USD
Hedging	Portfolio
Min investment	US\$1,000
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing cut off	10am Dublin 5pm Hong Kong
	SAR
Income Distribution	Income
Fee structure	A Class
Preliminary charge	max 5%
Management fee	0.90% pa
Admin charge	0.15% pa
Trustee fee	Not more than 0.022% pa

Investor minimum

Please contact Principal Global Investors

Fund grading

Mark A. Lieb A rated - Citywire Fund

Manager Ratings



Important note

- The Preferred Securities Fund will invest primarily in a portfolio of U.S. dollar denominated preferred securities and debt securities.
- The Fund's investments will be offered on markets listed in Appendix A to the Prospectus, although it is anticipated that the majority will be issued by U.S. issuers. Compared with a well-diversified fund, its concentration risk is relatively high and hence it might be more volatile than a well-diversified fund.
- Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
- The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
- You should not invest solely in reliance on this marketing material alone. You should read the Summary Prospectus and the relevant Supplement(s) before investing including the Special Investment Considerations and Risks section of the Summary Prospectus.
- In relation to A Class Income Units of the Fund, the dividends which may be distributed by such class of units may be paid effectively out of the capital of the Fund (i.e. making the distribution from gross income while charging all or part of the Fund's fees and expenses to capital), resulting in an increase in distributable income for the payment of dividends by the Fund and an immediate reduction of the net asset value per unit of the Fund. Payment of dividends effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Dividend is not guaranteed.

Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	-3.34	-0.61	-0.61	-6.39	8.93	5.70	35.15
Cumulative Index	2.57	3.40	3.40	-5.15	-1.19	8.56	26.17
Fund Annualised Net	-3.34	-0.61	-0.61	-6.39	2.89	1.11	3.06
Index Annualised	2.57	3.40	3.40	-5.15	-0.40	1.65	2.35

Fund performance is calculated on a NAV to NAV basis. Please see performance notes for further details.

Calendar year performance (%)

	2022	2021	2020	2019	2018
Fund Net	-10.48	2.01	4.35	16.11	-5.46
Index	-15.28	-0.89	9.68	14.06	-2.24

Top 10 holdings (%)

	Fund
Zurich Finance Ireland 3 1/31-51 REG S	2.5
Bank Of Nova Scotia 4.9 6/25 perp	2.1
HSBC Capital Funding 10.176 6/30/30 RegS	2.1
Enterprise Products Oper 5.25 8/27-77	2.0
Enbridge Inc 6 1/27-77	1.8
Toronto Dominion Bank 8.125 10/27-82	1.7
Munich Re 5.875 11/31-42 REG S	1.7
MetLife Inc. 10.75 8/1/39	1.6
Nippon Life Insurance 2.75 1/31-51 Reg S	1.6
Demeter Swiss Re 5.625 8/27-52 Reg S	1.6
Total	18.5

No. of holdings

233

Geographic allocation (%)

	Fund
United States	33.4
Great Britain	11.8
Switzerland	10.6
Canada	9.0
France	8.8
Japan	7.1
Italy	3.3
Netherlands	3.0
Australia	2.8
Finland	2.6
Spain	2.4
Germany	1.7
Denmark	1.6
Other	1.7
Cash	0.3

Fund analysis

	Fund	Index
Average Credit Quality	Baa2	A3
Current Yield**	6.5	4.1
Yield to Worst***	7.3	5.3
Yield to Maturity#	7.5	5.3
Modified Duration	3.7	6.8

Credit quality (%)

	Fund
AA or AAA	0.3
A	18.3
BBB	64.5
BB and Lower	16.9

Industry allocation (%)

	Fund
Banks	50.0
Insurance	29.8
Utilities	7.0
Energy	7.0
Industrials	1.9
Telecommunications	1.6
Financials	1.3
REITs	1.1
Other	0.0
Cash	0.3

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	PRIIFS1 ID
ISIN	IE00B067MS69
Lipper	60015003
SEDOL	B067MS6
CUSIP	G7244L289
Valoren	2079429
WKN	A0D8H0

Registration*

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

Performance note

From December 2018, the performance data shown is based upon the Fund's official Net Asset Value (NAV) prices. 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 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 information reflects the performance of the A Class income units. Periods over one year are annualised. Investors should obtain their own independent tax advice. ##The following performance comparators 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 29 September 2018, 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 50% BofA Merrill Lynch US Capital Securities Index. On 30 September 2018, the performance comparator 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. The inception date of the fund is 22 April 2003; not all share classes may be available to all investors. Performance since the inception of the fund is available on request. Outperforming the Blended Index is not specifically included in the objective of the Fund, and the figures shown in the table are provided as a comparison only. The methods of calculation of performance may not be identical. The source of performance is based on the current Advisor, Principal Global Investors, LLC. Past performance is not indicative of future performance. **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. 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. All figures shown in this document are in U.S dollars unless otherwise noted.Source & Copyright: CITYWIRE. Portfolio managers are A rated by Citywire for 3 year risk-adjusted performance for the period 29 February 2020 - 28 February 2023. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

Disclosure

*Where applicable: In Singapore, the Fund is registered as a Restricted Scheme and in Italy for Qualified Investors only. Divergences between the returns of unit classes denominated in the base currency of the fund and hedged unit classes may arise among other things due to interest rate differentials between the base currency of the fund and the hedged unit class currency. The information in this document contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such, nor should it be construed as specific investment advice, an opinion or recommendation. The information it contains does not take into account the investment objectives, particular needs or financial situation of any investor or any particular class(es) of investors. Any person considering making an investment should seek independent advice on the suitability or otherwise of the particular investment. Past performance is not a reliable indicator of future performance and should not be relied upon as a significant basis for an investment decision. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision. Subject to any contrary provisions of applicable law, no company in the Principal Financial Group nor any of their employees or directors gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way for errors or omissions in this document. The content of this document is provided by Principal Global Investors. Principal Global Investors (Ireland) Limited is the Manager of the Principal Global Investors Funds. This document is issued in Hong Kong SAR (China) by Principal Investment & Retirement Services Limited, Hong Kong SAR (China) Representative of the Principal Global Investors Funds. Principal Investment & Retirement Services Limited is licensed with the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares. The information in this document has been derived from sources believed to be accurate as of March 2023. This document has not been reviewed by the Securities and Futures Commission. The product promotes environmental and/or social characteristics as referenced in Article 8 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR"). Please refer to the required pre-contract disclosures contained in the relevant prospectus or offering memorandum (as applicable) or on our website. More information can be found at <https://www.principalam.com/SFDR>.

Contact us

For more information on the fund, please contact:

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