

Global Property Securities Fund - D Class Income Units

30 June 2022

Investment advisor

Principal Global Investors, LLC ("PGI")

Sub investment advisor

PGI has appointed Principal Real Estate Investors, LLC ("PrinRE"), Principal Global Investors (Europe) Ltd ("PGIE"), Principal Global Investors (Australia) Ltd ("PGIA") and Principal Global Investor (Singapore) Limited ("PGIS") as the Sub-Investment Advisors. PrinRE is a specialized investment management group of Principal Global Investors which is located across various investments locations. The real estate capabilities of PrinRE span the spectrum of public and private equity and debt investment alternatives.

Fund managers

Kelly D. Rush, CFA
38 Yrs Industry Exp

Anthony Kenkel, CFA, FRM
25 Yrs Industry Exp

Simon Hedger
44 Yrs Industry Exp

Investment objective

To provide a return primarily from a global portfolio of public securities of companies engaged in the property industry or whose value is largely derived from property assets. This may include REITs, Non-REIT real estate companies and similar structures or equity and debt securities of companies with at least 50% of their assets, income or profits derived from property related products or services at the time of investment.

Index

FTSE EPRA NAREIT Developed NTR Index*

Fund facts

Fund size	\$632.6m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin

Unit class facts

Launch date	01 Nov 2020
Currency	USD
Minimum investment	US\$1,000
Management fee(s)	0.80% pa
Income distribution	Income
Distribution frequency:	

Fund grading

Kelly Rush and Anthony Kenkel + rated - Citywire Fund Manager Ratings



Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	-8.85	-17.87	-22.34	-16.58	-	-	7.70
Index Cumulative	-8.69	-17.45	-20.71	-13.44	-	-	17.14
Fund Annualised Net	-8.85	-17.87	-22.34	-16.58	-	-	4.56
Index Annualised	-8.69	-17.45	-20.71	-13.44	-	-	9.98

12-month rolling return (%)

Jul 17 - Jun 18	Jul 18 - Jun 19	Jul 19 - Jun 20	Jul 20 - Jun 21	Jul 21 - Jun 22
-	-	-	-	-16.58

Risk analysis

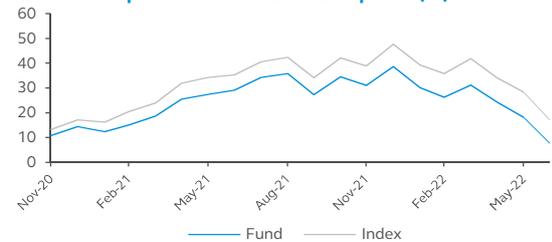
	1YR
Information Ratio	-3.4
Alpha	-3.2
Tracking Error	0.9
Standard Deviation	17.3
Beta	1.0

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
Active Share	58.1	-
Price/Cash Flow	19.6	19.0
Debt to Equity	104.8	107.0
Div Yield Wtd Avg	3.4	4.0
Mkt Cap Wtd Avg USDm	19,358.8	20,033.0

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

Top 10 holdings (%)

	Fund
Prologis Incorporated	4.1
AvalonBay Communities, Inc.	3.5
Extra Space Storage Inc.	3.2
Ventas, Inc.	3.1
Invitation Homes, Inc.	3.0
VICI Properties Inc	2.9
Essex Property Trust, Inc.	2.8
Sun Communities, Inc.	2.7
Rexford Industrial Realty, Inc.	2.6
Equinix, Inc.	2.6
Total	30.4

No. of holdings

84

Top 5 stock overweights/underweights (%)

	Difference
Overweight	
American Tower Corporation	2.1
Rexford Industrial Realty, Inc.	2.0
Extra Space Storage Inc.	1.8
AvalonBay Communities, Inc.	1.8
Ventas, Inc.	1.8
Underweight	
Duke Realty Corporation	-1.3
Simon Property Group, Inc.	-1.5
Digital Realty Trust, Inc.	-2.2
Realty Income Corporation	-2.5
Public Storage	-3.0

Sector allocation (%)

	Fund	Difference
Office & Industrial	23.3	1.8
Residential	22.3	4.7
Diversified	17.7	0.5
Healthcare	10.2	0.9
Self-Storage	6.8	0.6
Net Lease	6.3	-2.6
Technology Space	5.7	-0.3
Retail	4.6	-5.9
Lodging	2.3	-0.1
Other	0.0	-0.4
Cash	0.7	0.7

Geographic allocation (%)

	Fund	Difference
United States	59.9	-2.0
Japan	9.2	-0.8
Continental Europe / Emea	8.2	-0.3
United Kingdom	5.0	0.5
Australia / New Zealand	4.8	0.9
Hong Kong	4.7	-0.1
Canada	4.1	1.2
Singapore	3.0	-0.6
Mexico	0.5	0.5
Other	0.0	-0.1
Cash	0.7	0.7

Source: Principal Global Investors and/or its affiliates and the Index. Characteristics source: FactSet

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. Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

Fund codes

Bloomberg	PRGPDUI ID
ISIN	IE00B3Z19L26
Lipper	68323849
SEDOL	B3Z19L2
CUSIP	G7244T241
Valoren	13063018
WKN	A2QGVS

Registration

Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Macau, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland 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.

Fund management commentary**Market Review**

Inflation concerns continued to drive significant market volatility. U.S. May headline inflation accelerated to 8.6%, triggering a more aggressive reactionary rate hike of 75 bps from the Fed. Risk assets experienced a sharp selloff globally as markets fretted that the concerted rate hikes by global central banks would tip economies into a recession sooner rather than later. Global REITS (FTSE EPRA/NAREIT Developed NTR) tracked global equities (MSCI World), both losing roughly 8.6% and underperforming global bonds, which were off 3.2%. There was significant intra-month volatility in U.S. 10-year Treasury yields, which spiked to as high as 3.5% mid-month before falling back to end the month at 3.0% as narrative shifted to one of peak inflation and a forthcoming demand slowdown. APAC held up the best. The Americas trailed behind. Europe was the weakest region.

Fund Review

Stock selection and allocation decisions contributed, though currency effects pulled down relative returns. Though most sectors were pressured, growth sectors generally held up better. Overweights to these sectors with defensive attributes and continued strong fundamentals (such as U.S. towers) and underweight to value stocks with greater economic sensitivity (U.S. retail and office) contributed to relative outperformance. Underweight to Sweden, which underperformed, contributed. Cash exposure was a contributor. Stock selection in U.S. industrial detracted due to underweight to a stock whose share price was boosted. Australian exposure that underperformed due to rising bond yields was detractive. Overweight to Spanish office was another drag on relative performance.

Market Outlook

Our portfolio construction process remains focused on bottom-up stock selection. We are mindful of potential swings in sentiment that can drive style shifts causing performance leadership to flip between different groups of stocks. While we have historically favored structural growth stocks given strong bottom-up fundamentals, in the past year, we have been opportunistically reorienting toward value and cyclical. Although global growth forecasts have been falling, current IMF forecasts are still robust for 2022 and 2023. We continue to maintain a core of structural growth stocks, which we believe have pricing power and should be well positioned to weather any growth slowdown.

Risk warnings

- Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility. There is a risk that an investment will decline in value.
- There are specific risks associated with investing in the securities of companies in the real estate industry such as declines in the value of real estate, risks related to general and local economic conditions, increases in property taxes and operating expenses, variations in rental income, the appeal of properties to tenants and increases in interest rates etc.
- The ability to trade REITS in the secondary market can be more limited than other stocks.
- The Fund's investments may be in currencies other than US Dollars. The value of an investment may fluctuate due to changes in exchange rates between currencies or the possible imposition of exchange control regulations.
- This unit class is unhedged. Unhedged unit classes are exposed to greater risk and volatility. Please note the fund does have hedged unit classes available.

Performance note

Index disclosure: The Fund is actively managed and aims to outperform the FTSE EPRA NAREIT Developed NTR Index (the "Index"). The portfolio manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, 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. For income unit classes, returns are measured on a total return basis i.e. net investment income plus capital gain or loss from investment. 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-Advisers 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 principalglobal.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. Information in this document has been derived from sources believed to be accurate as of the date of issuance and is derived from PGI or its affiliates unless otherwise noted. Information derived from sources other than PGI or its affiliates is believed to be reliable however we do not independently verify or guarantee its accuracy or validity. 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 (including by reason of negligence) for errors or omissions in this document.

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Disclosure for Singapore: The Fund is a restricted scheme in Singapore, it is not authorised or recognised by the MAS and the units in the Fund are not allowed to be offered to the retail public. The Fund is available only to: 1) Institutional Investors under Section 304 of the Securities and Futures Act ("SFA"); and 2) persons within the meaning of "relevant persons" defined in Section 305 of the SFA and in accordance with the conditions of, any other applicable provisions of the SFA. Mandatory Disclosure for the DIFC: Module 4.6.5.(d) - The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this financial product. It has not approved this document or any other associated documents nor taken any steps to verify the information set out therein. The document is intended for sophisticated institutional and professional investors only in the DIFC and is delivered in on an individual basis to the recipient only and should not be passed on or otherwise distributed to any other person or organization. Disclosure for Switzerland: This document is marketing material and is issued in Switzerland by Principal Global Investors (Switzerland) GmbH. Where the Fund is registered in Switzerland, the name of the Swiss representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. The name of the Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'île, 1204 Geneva. Investors can obtain free of charge the prospectus, trust deed, the prospectus, the key investor information document (KIID), and the annual and semi-annual reports from the representative in Switzerland.

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 + rated by Citywire for 3 year risk-adjusted performance for the period 31 May 2019 - 31 May 2022. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

Unless specified in this document, the strategy does not:

- promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR"); nor
- have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

Notwithstanding this, the strategy/product is managed in line with the Principal Global Investors responsible investment policy, incorporating its Sustainability Risk and Principal Adverse Impacts policies. These policies can be found at <https://www.principalglobal.com/about-us>.

Contact us

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