

Global Property Securities Fund - I Class Income Units

31 August 2021

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
37 Yrs Industry Exp

Anthony Kenkel, CFA, FRM
24 Yrs Industry Exp

Simon Hedger
43 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	\$729.4m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin

Unit class facts

Launch date	10 Jun 2019
Currency	USD
Hedging	N/A
Minimum investment	US\$2,000,000
Management fee(s)	0.80% pa
Income distribution	Income
Distribution frequency:	

Fund grading

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



Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	1.30	6.86	19.41	28.31	-	-	19.74
Index Cumulative	1.31	6.02	21.50	33.34	-	-	17.04
Fund Annualised Net	1.30	6.86	19.41	28.31	-	-	8.41
Index Annualised	1.31	6.02	21.50	33.34	-	-	7.31

12-month rolling return (%)

Sep 16 - Aug 17	Sep 17 - Aug 18	Sep 18 - Aug 19	Sep 19 - Aug 20	Sep 20 - Aug 21
-	-	-	-7.88	28.31

Risk analysis

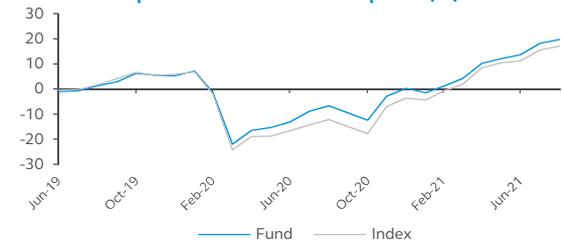
	1YR
Information Ratio	-1.9
Alpha	-0.8
Tracking Error	2.7
Standard Deviation	13.0
Beta	0.9

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	58.9	-
Price/Cash Flow	26.7	24.3
Debt to Equity	188.2	149.1
Div Yield Wtd Avg	2.4	2.8
Mkt Cap Wtd Avg USDm	22,435.4	21,517.8

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

Top 10 holdings (%)

	Fund
Prologis Incorporated	3.9
Invitation Homes, Inc.	3.4
SEGRO plc	3.1
Avalon Bay Communities, Incorporated	3.1
Vonovia SE	2.8
Essex Property Trust, Inc.	2.8
Sun Communities, Inc.	2.5
Extra Space Storage Inc.	2.5
Welltower, Inc.	2.3
Alexandria Real Estate Equities, Inc.	2.3
Total	28.8

No. of holdings

91

Sector allocation (%)

	Fund	Difference
Office & Industrial	25.4	2.0
Residential	23.4	4.5
Diversified	18.1	-1.2
Healthcare	7.0	-0.2
Technology Space	6.6	1.3
Self-Storage	5.6	0.1
Net Lease	5.0	-2.1
Retail	4.2	-6.3
Lodging	2.3	-0.1
Other	1.5	1.1
Cash	1.0	1.0

Top 5 stock overweights/underweights (%)

	Difference
Overweight	
Invitation Homes, Inc.	2.2
SEGRO plc	2.0
American Tower Corporation	1.8
Rexford Industrial Realty, Inc.	1.7
American Homes 4 Rent	1.7
Underweight	
Realty Income Corporation	-1.4
Equity Residential	-1.6
Simon Property Group, Inc.	-1.9
Digital Realty Trust, Inc.	-2.4
Public Storage	-2.5

Geographic allocation (%)

	Fund	Difference
United States	56.0	-1.5
Continental Europe / Emea	10.2	-3.0
Japan	9.1	-1.0
United Kingdom	6.7	1.8
Australia / New Zealand	4.5	1.1
Hong Kong	4.3	-0.7
Canada	4.2	1.2
Singapore	2.2	-0.5
Emerging Asia	1.4	1.4
Mexico	0.3	0.3
Cash	1.0	1.0

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	PIFGPIU ID
ISIN	IE00BD5DGY05
Lipper	68557442
SEDOL	BD5DGY0
CUSIP	G72456513
Valoren	44098211
WKN	A2PL8R

Registration

Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Ireland, Italy, Jersey, 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

Global equity markets (MSCI World, +2.5%) continued to grind higher despite ongoing concerns over the impact of the delta variant on growth as well as the China economic slowdown and its regulatory clampdown. Markets got an added lift from Jerome Powell's dovish commentary, which helped allay fears over a disruptive tapering. REITs (FTSE EPRA/NAREIT Developed NTR, +1.3%) lagged broader equities but outperformed global bonds (Global Barclays Aggregate, -0.4%), as bond yields rose and the U.S. yield curve started to steepen again.

Europe was the best performing region. The Americas lagged. Asia ended in the red.

Fund Review

Outperformance was mainly attributed to stock selection with no significant contributors or detractors. Underweight to Hong Kong modestly contributed, due to pressure from China concerns and the delayed border reopening. Overweight to a Canadian industrial REIT contributed. Underweight to traditional U.S. office REITs that lagged as companies pushed back their return to office plans contributed. Overweight to Canadian office stocks detracted. Within U.S. malls, underweight to a company which benefitted from a good earnings report detracted. Stock selection within U.S. industrial names detracted due to underweight to stocks with strong second quarter operating results and increased interest from generalist investors.

Market Outlook

As we cycle into the second half of the year, the narrative has shifted from cyclical recovery to peaking growth. Part of this is to be expected given the more challenging year on year comps, but it also remains to be seen if delta outbreaks will force governments to reimpose lockdowns, crimping growth. With many parts of Asia and emerging markets still afflicted, global growth forecasts may need to be taken down a notch. Markets are pricing this in with the pullback in bond yields and the rotation out of value and cyclical, back into defensive growth.

We are cautiously constructive but will continue to evaluate relative valuations as volatility is likely here to stay. We believe stocks with attractive earnings prospects and favorable structural demand drivers are best positioned to outperform in the intermediate to longer-term future. We selectively look for cyclical themes to add into the recent weakness.

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.

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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 AA rated by Citywire for 3 year risk-adjusted performance for the period 31 July 2018 - 31 July 2021. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

NTR stands for net total return. An NTR Index is net of withholding taxes.

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 Principle Adverse Impacts policies. These policies can be found at <https://www.principalglobal.com/about-us>.

Contact us

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