

30 September 2013

Preferred Securities Fund - F MSSB

Investment Manager

Spectrum Asset Management, Inc. is an affiliate of Principal Global Investors, LLC and specializes in the management of preferred securities.

Fund Managers

Mark A. Lieb
MBA, University of Hartford
36 Yrs Industry Exp
L. Phillip Jacoby, IV
BS, Boston University
31 Yrs Industry Exp

Investment Objective

The Fund seeks to provide an income return consistent with capital preservation. The Fund seeks to achieve its overall objective by investing primarily in a portfolio of U.S. dollar-denominated preferred securities and debt securities. Value will be prima

Benchmark

50% Merrill Lynch Fixed Rate Preferred Securities Index and 50% Barclays Capital Capsec U.S. Dollar Tier 1 Index

Fund Facts

Fund Size \$965.3m
Launch Date 07 Jan 2009
Base Currency USD
Min Investment US\$10,000
Fund Domicile Ireland
UCITs Qualifying Yes
Pricing Daily
Dealing 10am Dublin
5pm Hong Kong

Fund Grading

Gold V5 graded by S&P Capital IQ



PERFORMANCE %

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	0.2	-0.2	0.5	3.4	19.0	-	76.8
Benchmark Cumulative	0.1	-0.7	0.1	2.8	20.1	-	69.5
Fund Annualised Net	0.2	-0.2	0.5	3.4	6.0	-	12.8
Benchmark Annualised	0.1	-0.7	0.1	2.8	6.3	-	11.8

Fund performance is calculated on a NAV to NAV basis, net performance including trustee and management fees. See performance notes.

CALENDAR YEAR PERFORMANCE %

	2012	2011	2010	2009	2008
Fund Net	19.7	-1.5	12.4	-	-
Benchmark	17.7	1.9	14.9	-	-

FUND ANALYSIS

	Fund	Benchmark
Average Credit Quality	Baa2/BBB	Baa2
Current Yield	6.6	6.8
Yield to Call	5.6	5.6
Yield to Maturity	6.8	5.8

RISK ANALYSIS

	3YR
Information Ratio	-0.2
Alpha	-0.5
Tracking Error	2.0
Standard Deviation	6.1
Beta	1.0

TOP 10 HOLDINGS %

	Fund
Rabobank Nederland 11 6/19-49	3.4
Goldman Sachs 6.345 2/15/34	3.2
AIG 8.175 05/15/58	2.9
Electricite de France 5.25 01/	2.6
Prudential Financial 5.625 6/	2.3
QBE Cap Funding II 7.25 6/17	1.8
Sompo Japan Insurance 5.325 03	1.7
Nationwide Financial 6.75 5/	1.6
General Electric Corp 4.8750	1.6
Deutsche Bank 1.6375 dxb	1.6
Total	22.8

No. of holdings 207

CREDIT QUALITY %

	Fund	Difference
AA or AAA	4.0	2.9
A	15.8	1.6
BBB	56.5	-22.8
BB and Lower	23.8	18.2

COUNTRY ALLOCATION %

	Fund	Difference
United States	48.0	-7.8
Great Britain	10.2	-3.0
France	7.2	1.3
Bermuda	6.7	5.1
Netherlands	6.2	-1.4
Switzerland	5.1	3.7
Germany	3.9	2.9
Australia	3.8	0.0
Japan	3.7	0.5
Sweden	1.1	-1.6
Brazil	0.8	-1.3
China	0.6	0.6
Hong Kong	0.3	0.1
Other	0.6	-0.9
Cash	1.8	1.8

INDUSTRY ALLOCATION %

	Fund	Difference
Insurance	40.5	26.3
Banks	30.5	-31.7
Utilities	13.9	7.2
Financials	9.4	-1.7
Industrials	2.6	1.5
REITs	1.2	-3.4
Retail	0.0	0.0
Treasuries	0.0	0.0
Agencies	0.0	0.0
Cash	1.8	1.8

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Fund Codes

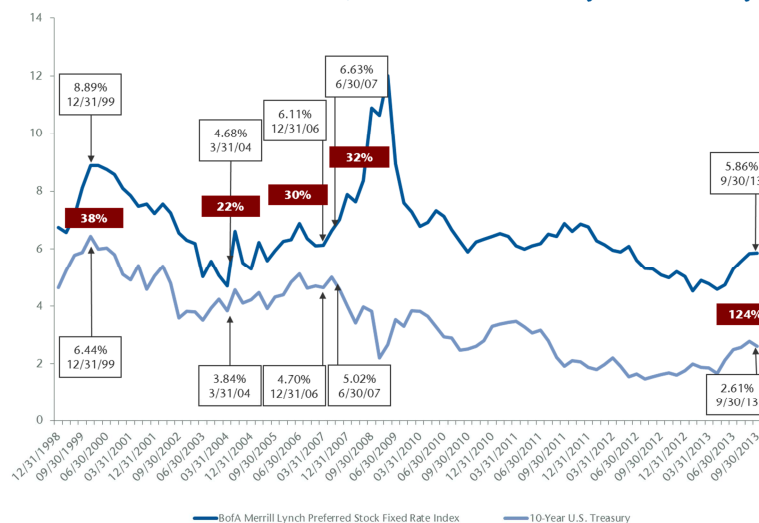
Accumulation Units:

Symbol XPKPX
Bloomberg PGIPSIF ID
ISIN IE00B3C9X393
SEDOL B3C9X39
CUSIP G7244L602

Income Units:

ISIN IE00B44XF072
SEDOL B44XF07
CUSIP G7244T183

YIELD COMPARISON CHART (10 Year U.S. Treasury vs. Merrill Lynch Preferred Index)



PERFORMANCE NOTE

All figures sourced by Principal Global Investors unless otherwise stated as at September 2013. The inception date for the F Accumulating share class of the Preferred Securities Fund is January 7, 2009. Performance for the Institutional share class dates back to April 22, 2003 and is available upon request. Share classes may not be available to all investors. The stated yield does not reflect management fees or other expenses of the fund. It is based on the weighted average of the underlying securities in the fund and does not include cash. Individual client yield may differ. Performance is calculated on a NAV-to-NAV basis, includes the reinvestment of all investment income, and does not take account of application fee or tax, but does include trustee and management fees. The NAVs used in these calculations reflect the month-end market close prices of assets. The actual performance an investor receives reflects the NAVs at which they trade the Fund, which are calculated at the Fund's Valuation Point - as such, the two returns will differ. The performance information reflects performance of the F class accumulation units. Returns for periods over one year are annualized. Outperforming the blended Index: 50% Merrill Lynch Fixed Rate Preferred Securities Index and 50% Barclays Capital Capsec U.S. Dollar Tier 1 Index is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. Past performance is not indicative of future performance. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding. S&P Capital IQ fund grading represents an opinion only and should not be relied on when making an investment decision. Copyright © 2012 by McGraw-Hill International (UK) Limited (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights are reserved.

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