

28 February 2017

Asian Equity Fund - A Inc USD

Investment Manager

Principal Global Equities† has expertise across U.S., international and emerging equity markets.

†Principal Global Equities is a specialized investment management group within Principal Global Investors. Principal Global Investors includes (amongst other entities): Principal Global Investors, LLC ("PGI") and Principal Global Investors (Europe) Ltd ("PGIE"). PGI has been appointed as Investment Advisor to the Fund and has appointed PGIE as Sub-Investment Advisor.

Fund Managers

Mihail Dobrinov, CFA

MBA, University of Iowa

22 Yrs Industry Exp

Mohammed Zaidi

MBA, MIT Sloan School of Management

20 Yrs Industry Exp

Alan Xi Wang, CFA

MBA, The University of Iowa

18 Yrs Industry Exp

Investment Objective

The Fund aims to provide capital growth over the medium to long term predominantly through investment in Asian (excluding Japan) equities that we believe are mispriced by the market and have potential for significant growth.

Benchmark

MSCI AC Asia ex-Japan Index**

Fund Facts

Fund Size \$7.0m
Launch Date 06 Nov 1992
Base Currency USD
Min Investment US\$10,000
Management Fee 1.50% pa

Fund Domicile Ireland
UCITs Qualifying Yes
Pricing Daily
Dealing 10am Dublin
5pm Hong Kong
Income Distribution Income

Country Registration

Belgium, Finland, France, Germany, Guernsey, Hong Kong, Ireland, Italy*, Jersey, Netherlands, Singapore*, Spain, Sweden, Switzerland and UK

Fund Grading

3 Star Overall Morningstar Rating™ as of 28 February 2017



PERFORMANCE %

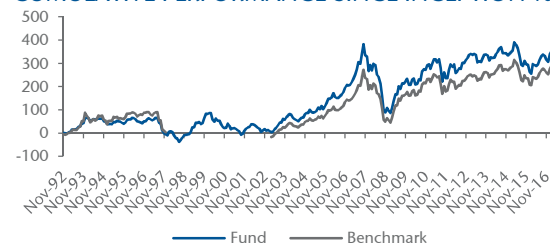
	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	2.83	8.16	10.58	26.55	5.84	13.95	46.18
Benchmark Cumulative	3.39	7.54	9.79	26.52	10.46	17.83	60.58
Fund Annualised Net	2.83	8.16	10.58	26.55	1.91	2.64	3.87
Benchmark Annualised	3.39	7.54	9.79	26.52	3.37	3.33	4.85

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

CALENDAR YEAR PERFORMANCE %

	2016	2015	2014	2013	2012
Fund Net	3.76	-9.49	-0.20	2.51	25.84
Benchmark	5.44	-9.20	3.16	3.76	22.02

CUMULATIVE PERFORMANCE SINCE INCEPTION %



FUND ANALYSIS

	Fund	Benchmark
Active Share	63.2	-
Price/Earnings	12.1	14.5
Price/Book	1.6	1.7
Div Yield Wtd Avg	2.5	2.4
Mkt Cap Wtd Avg USDm	80,496.6	68,741.2

RISK ANALYSIS

	3YR	5YR
Information Ratio	-0.6	-0.3
Alpha	-1.4	-0.6
Tracking Error	2.6	2.7
Standard Deviation	14.8	13.9
Beta	1.0	1.0

TOP 10 HOLDINGS %

	Fund
Samsung Electronics Co., Ltd.	7.2
Tencent Holdings Ltd.	4.8
Taiwan Semiconductor Manufacturing Co., Ltd.	4.7
Alibaba Group Holding Ltd.	4.2
Sponsored ADR	
China Construction Bank Corp.	4.0
Bank of China Limited	3.4
BOC Hong Kong (Holdings) Limited	2.3
LAGAN Precision Co., Ltd.	2.1
SK hynix Incorporated	2.0
Hon Hai Precision Industry Co., Ltd.	2.0
Total	36.6

TOP 5 STOCK OVERWEIGHTS/UNDERWEIGHTS %

	Difference
Overweight	
Bank of China Limited	2.3
China Construction Bank Corp.	2.1
Samsung Electronics Co., Ltd.	1.9
BOC Hong Kong (Holdings) Limited	1.9
LAGAN Precision Co., Ltd.	1.7
Underweight	
China Mobile Limited	-0.8
Hong Kong Exchanges & Clearing Ltd.	-0.8
Housing Development Finance Corporation Limited	-0.8
Baidu.com Inc.	-1.3
Industrial and Commercial Bank of China Limited Class H	-1.3

SECTOR ALLOCATION %

	Fund	Difference
Information Technology	31.3	3.3
Financials	28.4	4.5
Consumer Discretionary	9.1	-0.4
Energy	8.0	3.7
Materials	7.0	2.3
Telecommunication Services	5.0	-0.3
Real Estate	3.7	-2.3
Consumer Staples	3.2	-1.6
Industrials	2.3	-5.5
Utilities	0.7	-2.7
Health Care	0.0	-2.3
Cash	1.3	1.3

COUNTRY ALLOCATION %

	Fund	Difference
China	34.6	-0.3
South Korea	20.8	3.5
Taiwan	15.4	0.9
India	10.6	0.7
Hong Kong	7.8	-1.1
Thailand	5.4	2.8
Singapore	2.2	-2.3
Indonesia	1.2	-1.8
Malaysia	0.7	-2.1
Philippines	0.0	-1.4
Cash	1.3	1.3

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Fund Codes

Income Units:

Bloomberg	PIFAEIA ID
ISIN	IE0000712665
Lipper	60008018
SEDOL	71266
CUSIP	G7244L198
Valoren	116282
WKN	986036

FUND MANAGEMENT COMMENTARY

Market Review

February saw global equity markets continue the risk-on rally that started following the election of Donald Trump. Using the MSCI All Country World Index (USD) as a proxy, global equities advanced 2.8%. Emerging markets gained 3.1% in February, slightly outpacing developed markets. The U.S. Dollar Index (USD against a basket of international currencies) gained 1.6% in February. The majority of developed market currencies declined against the USD; however, several emerging market currencies ended the month ahead. The Mexican peso gained 3.9% on the back of the central bank rate hike of 50 bps. The Turkish lira increased 4.1% after several months of declines. In Asia, the South Korean won and Taiwan dollar moved higher, up 2.8% and 2.1%, respectively. The Russian ruble and South African rand were both positive, up 2.9% and 3.1%, respectively. Brazil and Colombia both cut interest rates 75 bps and 25 bps, respectively. The Goldman Sachs Commodity Index rose 1.6%, primarily led by the gain in WTI, which advanced 2.3%. Natural gas was down 11.0%, and metals advanced for the month. Speculation for increased infrastructure demand continues to support higher iron ore prices, up 9.5% in February. All emerging market regions advanced in February. Asia and Latin America were the two best performing markets, both up 3.6%. The EMEA region managed a slight gain, up 0.1%. Energy was the lone sector to decline, and consumer discretionary was the best performing sector, up 4.9%. Egypt was the best performing country, up 11.2%, and Russia was the worst performer, down 6.4%. The MSCI All Country Asia ex-Japan Index advanced 3.1%, and in-line with the MSCI Emerging Markets Index, which also advanced 3.1%.

Fund Review

Both the Pacific region and Asia detracted from relative performance during the month. In Asia, Taiwan, India, and the Philippines were notable contributors while South Korea, China, and Thailand detracted.

Market Outlook

Indonesia was the best performing market in the ASEAN region, followed by Malaysia, and the Philippines were the best contributor to performance in the region. The Korean market rose 3.1%, roughly in-line with the broader emerging index and lagged the Asian.

PERFORMANCE NOTE

All figures sourced by Principal Global Investors unless otherwise stated as at February 2017. Performance Source: Performance is calculated on a bid-to-bid basis up to 1 June 2000 and on a NAV-to-NAV basis thereafter, includes the reinvestment of all investment income, and does not take into account subscription fees and/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 I class accumulation units. Outperforming the MSCI AC Far East ex-Japan Index (MSCI AC Asia Free ex-Japan. Accumulation Index on or before 31 October 2002) is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding. Overall Morningstar Rating™ as of February 2017. 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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