

30 November 2017

Emerging Markets Equity Fund - I Acc 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 equities from the world's emerging investment markets that we believe are mispriced by the market and have potential for significant growth.

Benchmark

MSCI Emerging Markets Index

Fund Facts

Fund Size \$6.1m
Launch Date 19 Feb 1998
Base Currency USD
Min Investment US\$2,000,000
Management Fee 0.75% pa

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

Income Distribution Accumulated

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 30 November 2017



PERFORMANCE %

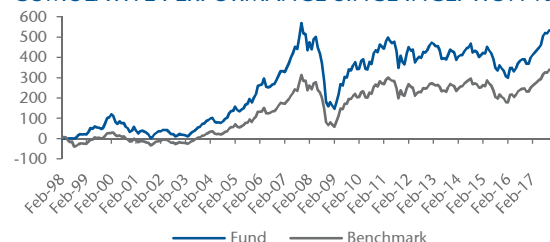
	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	0.18	2.30	35.06	35.02	20.31	18.39	2.37
Benchmark Cumulative	0.20	3.30	32.53	32.82	19.59	25.28	14.47
Fund Annualised Net	0.18	2.30	35.06	35.02	6.35	3.43	0.23
Benchmark Annualised	0.20	3.30	32.53	32.82	6.14	4.61	1.36

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	8.26	-13.68	-4.38	-6.08	19.95
Benchmark	11.19	-14.92	-2.19	-2.60	18.22

CUMULATIVE PERFORMANCE SINCE INCEPTION %



FUND ANALYSIS

	Fund	Benchmark
Active Share	64.1	-
Price/Earnings	14.8	16.1
Price/Book	2.9	2.3
Div Yield Wtd Avg	2.1	2.2
Mkt Cap Wtd Avg USDm	126,140.5	99,683.8

RISK ANALYSIS

	3YR	5YR
Information Ratio	0.1	-0.4
Alpha	0.5	-1.0
Tracking Error	2.7	2.7
Standard Deviation	14.9	14.0
Beta	0.9	1.0

TOP 10 HOLDINGS %

	Fund
Tencent Holdings Ltd.	6.6
Samsung Electronics Co., Ltd.	6.4
Alibaba Group Holding Ltd. Sponsored ADR	5.5
Taiwan Semiconductor Manufacturing Co., Ltd.	5.1
Naspers Limited Class N	3.5
China Construction Bank Corp.	2.7
Industrial and Commercial Bank of China Limited Class H	2.5
Sberbank Russia OJSC	2.3
Vale SA	1.8
Maruti Suzuki India Limited	1.7
Total	38.1

No. of holdings 89

TOP 5 STOCK OVERWEIGHTS/UNDERWEIGHTS %

	Difference
Overweight	
Alibaba Group Holding Ltd. Sponsored ADR	1.6
Sberbank Russia OJSC	1.5
Taiwan Semiconductor Manufacturing Co., Ltd.	1.5
HDFC Bank Limited	1.4
Maruti Suzuki India Limited	1.4
Underweight	
China Mobile Limited	-0.7
Bank of China Limited	-0.7
Housing Development Finance Corporation Limited	-0.8
Itau Unibanco Holding SA Pfd	-0.8
Baidu.com Inc.	-1.3

SECTOR ALLOCATION %

	Fund	Difference
Information Technology	30.3	2.0
Financials	24.3	1.1
Consumer Discretionary	15.1	4.6
Energy	10.2	3.4
Materials	7.3	0.1
Telecommunication Services	4.6	-0.3
Consumer Staples	1.9	-4.4
Industrials	1.6	-3.7
Health Care	1.4	-1.0
Utilities	1.3	-1.2
Real Estate	0.0	-2.7
Cash	2.1	2.1

COUNTRY ALLOCATION %

	Fund	Difference
China	32.7	2.6
South Korea	16.4	0.8
India	11.3	2.7
Taiwan	8.2	-3.2
Brazil	8.2	1.3
Russia	4.9	1.6
South Africa	4.7	-2.2
Thailand	2.6	0.3
Indonesia	2.5	0.4
Mexico	1.7	-1.3
Malaysia	1.2	-1.0
Poland	1.0	-0.3
Chile	1.0	-0.2
Other	1.5	-3.6
Cash	2.1	2.1

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Fund Codes

Accumulation Units:

Bloomberg	PIFEMIA ID
ISIN	IE0002492902
Lipper	60005180
SEDOL	B2NGJF6
Valoren	860617
WKN	987954

FUND MANAGEMENT COMMENTARY

Market Review

Global equity markets motored ahead in November, largely driven by the rise of the U.S. market. Using the MSCI All Country World Index (USD) as a proxy, global equities advanced 2.0%, and U.S. equities gained 3.0%. The U.S. markets were lifted higher after progress on tax reform was made with both the House and Senate passing their versions of the bill. Developed markets outperformed emerging markets, gaining 2.2% vs. 0.2%. Coming off consecutive months of gains, the U.S. Dollar Index (USD against a basket of international currencies) declined, falling 1.6%. Most emerging currencies were higher. The South African rand was the top performing currency, up 3.7%, followed by the Polish zloty, and Malaysian ringgit. On the negative side, the Turkish lira fell 2.8% and the Chilean peso declined 1.8%. The Goldman Sachs Commodity Index advanced 2.2%, led by energy. Metals were somewhat muted. Agricultural commodities were mixed. Emerging market regions were disparate. The Europe, Middle East, and Africa (EMEA) region was the top performer, advancing 3.4%. Asia was basically flat, up 0.1%, and Latin American declined 3.0%. U.S. treasury yields moved higher, notably the long-end of the curve, which triggered a mini-rotation over the final trading days. Global technology and high momentum stocks were hit the hardest. Financials and value oriented stocks were the main beneficiaries of the rotation. Within emerging markets, South Africa was the best performing country, up 8.9%, supported by the ZAR appreciation and the recent ANC nominations suggesting a possible victory for Ramaphosa. Russia was the next best performing market, up 3.4%, on the back of rising energy prices. Chile and Turkey were the worst performing markets, down 11.8% and 7.9%, respectively. Consumer discretionary was the top performing sector while real estate fared the worst.

Fund Review

The Asia region outperformed, while EMEA was in-line, and Latin America underperformed. From a country perspective, China, Russia, and UAE were the top relative performers while Brazil, South Africa, and India were the largest detractors. Materials was the top performing sector while the healthcare sector detracted the most.

PERFORMANCE NOTE

All figures sourced by Principal Global Investors unless otherwise stated as at November 2017. Performance is calculated on a NAV-to-NAV basis, 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 Emerging Markets Index 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. 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. Overall Morningstar Rating™ as of November 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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