

Global Equity Fund - A Class Accumulation Units

31 January 2021

Investment advisor

Principal Global Investors, LLC ("PGI")

Sub investment advisor

Principal Global Investors (Europe) Ltd
("PGIE")

Principal Global Equities is a specialized investment management group of Principal Global Investors which is located across various investments locations. It has expertise across U.S., international and emerging equity markets.

Fund managers

Christopher Ibach, CFA

27 Yrs Industry Exp

Steven Larson, CFA

28 Yrs Industry Exp

Mustafa Sagun, Ph.D., CFA

30 Yrs Industry Exp

Investment objective

The Fund aims to provide capital growth over the medium to long term predominantly through investment in equities from investment markets around the world that we believe are mispriced by the market and have potential for significant growth.

Index

MSCI AC World NTR Index*

Fund facts

Fund size	\$25.3m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin 5pm Hong Kong SAR

Unit class facts

Launch date	01 Jul 1996
Currency	USD
Hedging	N/A
Minimum investment	US\$1,000
Management fee(s)	1.50% pa
Income distribution	Accumulated

Fund grading

3 Star Overall Morningstar Rating™ as of
31 January 2021

Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	-1.34	14.99	-1.34	19.08	14.14	53.39	103.62
Index Cumulative	-0.45	17.01	-0.45	17.02	25.63	88.86	142.81
Fund Annualised Net	-1.34	14.99	-1.34	19.08	4.50	8.92	7.36
Index Annualised	-0.45	17.01	-0.45	17.02	7.89	13.54	9.27

12-month rolling return (%)

Feb 16 - Jan 17	Feb 17 - Jan 18	Feb 18 - Jan 19	Feb 19 - Jan 20	Feb 20 - Jan 21
8.02	24.41	-10.73	7.37	19.08

Risk analysis

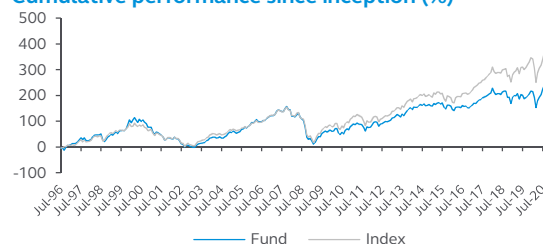
	3YR	5YR
Information Ratio	-1.0	-1.6
Alpha	-3.4	-4.6
Tracking Error	3.3	3.0
Standard Deviation	18.4	14.9
Beta	1.0	1.0

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 official Net Asset Value (NAV) prices. 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 important information.)

Cumulative performance since inception (%)



Fund analysis

	Fund	Index
Active Share	78.9	-
Price/Earnings	26.5	24.8
Price/Book	6.2	4.9
Div Yield Wtd Avg	1.5	1.8
Mkt Cap Wtd Avg USDm	338,264.4	314,859.1

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

Top 10 holdings (%)

	Fund
Microsoft Corporation	4.0
Apple Inc.	3.4
Taiwan Semiconductor Manufacturing Co., Ltd.	2.6
Alphabet Inc.	2.6
Samsung Electronics Co., Ltd.	2.3
JPMorgan Chase & Co.	2.3
Amazon.com, Inc.	1.9
MasterCard Inc.	1.9
Eli Lilly and Company	1.8
Facebook, Inc.	1.8
Total	24.7
No. of holdings	83

Sector allocation (%)

	Fund	Difference
Information Technology	24.1	2.1
Consumer Discretionary	14.7	1.5
Health Care	13.8	1.8
Financials	11.4	-1.9
Industrials	11.2	1.7
Communication Services	9.0	-0.4
Materials	4.6	-0.3
Consumer Staples	4.1	-3.1
Utilities	2.5	-0.5
Real Estate	2.1	-0.4
Energy	0.8	-2.3
Cash	1.8	1.8

Top 5 stock overweights/underweights (%)

	Difference
Overweight	
Taiwan Semiconductor Manufacturing Co., Ltd.	1.8
Samsung Electronics Co., Ltd.	1.7
JPMorgan Chase & Co.	1.6
Delta Electronics, Inc.	1.6
Eli Lilly and Company	1.5
Underweight	
NVIDIA Corporation	-0.5
Visa Inc.	-0.6
Johnson & Johnson	-0.7
Alibaba Group Holding Ltd.	-0.8
Tesla Inc	-1.0

Geographic allocation (%)

	Fund	Difference
United States	50.0	-7.1
Japan	9.3	2.6
Switzerland	4.4	1.9
Canada	4.4	1.7
Taiwan	4.3	2.4
United Kingdom	3.7	-0.1
France	3.1	0.3
South Korea	3.0	1.2
Netherlands	2.6	1.5
China	2.1	-3.4
Denmark	2.0	1.4
Hong Kong	1.7	0.8
Ireland	1.7	1.5
Other	5.9	-6.6
Cash	1.8	1.8

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.

Fund codes

Bloomberg

ISIN

Lipper

SEDOL

CUSIP

Valoren

WKN

PIFIGFA ID

IE0001148489

60008021

0114848

G7244L230

514305

986039

Registration

Belgium, Chile, Finland, France, Germany, Guernsey, Hong Kong SAR, Ireland, Italy, Jersey, Netherlands, 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

Equity markets kicked off the year posting largely mixed results. Coming off of a very strong 2020, equities took a breather as investors dealt with an insurrection at the White House, while a retail-led short squeeze in the final week of the period led volatility to jump higher and equity returns to have one of their worst weeks in over three months. Smaller companies and emerging markets topped the returns amid ongoing cyclical recovery prospects. Through all the abrupt shifts in sentiment and volatility, the commodity complex, aside from oil, rates, and dollar move were relatively moot from previous months. The S&P 500 posted a loss of 1.0% while the MSCI EM Index fared well posting a return of +3.1%. The MSCI Europe Index was down by 1.5% while the MSCI Japan Index had a loss of 1.0%.

Fund Review

Stock selection in the health care and information technology sectors contributed to relative performance while weakness was witnessed in consumer discretionary and communication services. From a country perspective, stock selection contributed most in Taiwan and Thailand while Japan and the United Kingdom lagged.

Market Outlook

With 2020 leaving investors to deal with abrupt changes, volatility, and an elevated number of macro-driven items, we remain confident that fundamentals will reassert themselves relatively soon and earnings will drive share prices higher. Many companies which performed well earlier saw a positive tailwind from work at home and lockdowns. Some changes we see will be more permanent in nature, others less. We are unlikely to see some economies fully re-open before the spring, and returning to 2019 conditions. As a result, our analysts have been focusing on the duration of the change they can identify. There are companies now where we can see a dislocation between expectations and our estimates. We look to further capitalize on this.

In a market environment underpinned by aggressive governmental policy, subtle changes in policy expectations can have swift implications for markets and investor sentiment. We find bottom-up analysis of credit conditions and earnings trends to be more reliable guides than top-down forecasts of macro variables.

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 may be corporate governance and investor protection issues associated with Russian investments
- The fund may invest in China A shares through Stock Connect. Such investments in securities from the People's Republic of China via the Stock Connect programmes may be more susceptible to certain additional risks including, local trading and quota limitations, delays in executing trades due to differences in trading day, suspension of Stock Exchange trading, failure or delay in clearing and settlement, beneficial ownership risk, nonprotection by any investor compensation schemes.
- The ability to trade REITS in the secondary market can be more limited than other stocks.
- 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.

Performance note

Index disclosure: The Fund is actively managed and aims to outperform the MSCI AC World 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. From 1 June 2000 to 31st December 2018, performance data shown was based upon the Fund's month-end market close prices. Prior 1 June 2000, performance is calculated on a bid-to-bid basis, thereafter performance data shown is not based upon the Fund's official Net Asset Value (NAV) prices. The performance calculations reflect the month-end market close prices of the Fund's assets, whereas the actual performance investors receive reflects the official NAVs at which they trade the Fund which are calculated at the Fund's Valuation Point. As a result, it is possible that the stated performance and the actual investment returns received differed. 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

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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 it's 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: Where the Fund is registered in Switzerland, the name of the Swiss representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. This is an advertising document. The name of the Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Ile, 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. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI. Overall Morningstar Rating™ as of January 2021. 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. NTR stands for net total return. An NTR Index is net of withholding taxes.

On 1 November 2013, the performance comparator for the Fund changed to the current Index from the MSCI World Index (the "Prior Index"). Prior to that date, index returns show those of the Prior Index. The two methods of calculation of performance may not be identical.