

31 August 2020

European Equity Fund - A Acc USD

## Sub Investment Advisor

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.

## Investment Advisor

Principal Global Investors, LLC

## Fund Managers

Juliet Cohn

38 Yrs Industry Exp

Paul H. Blankenhagen, CFA

28 Yrs Industry Exp

## Investment Objective

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

## Index

MSCI Europe Index

## Fund Facts

Fund Size	\$38.3m
Launch Date	01 Jul 1996
Fund Base Currency	USD
Min Investment	US\$1,000
Fund Domicile	Ireland
UCITs Qualifying	Yes
Pricing	Daily
Dealing Cut off	10am Dublin 5pm Hong Kong SAR
Income Distribution	Accumulated
Fee Structure	A Class
Preliminary Charge	max 5%
Management Fee	1.50% pa
Admin Charge	0.15% pa
Trustee Fee	Not more than 0.022% pa

Investor Minimum  
Please contact Principal Global Investors

## Registration\*

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

## Fund Grading

5 Star Overall Morningstar Rating™ as of 31 August 2020



Juliet Cohn and Paul H. Blankenhagen A rated  
- Citywire Fund Manager Ratings



## IMPORTANT NOTE

- The Principal European Equity Fund will invest primarily in the equity securities of companies domiciled or with their core business in Europe (including Eastern Europe), which the Adviser believes are mispriced by the market and have the potential for significant growth.
- The Fund invests in a single region. Compared with a well-diversified fund, its concentration risk is relatively high and hence it might be more volatile than a well-diversified fund.
- Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
- The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
- You should not invest solely in reliance on this marketing material alone. You should read the Summary Prospectus and the relevant Supplement(s) before investing including the Special Investment Considerations and Risks section of the Summary Prospectus.

## PERFORMANCE %

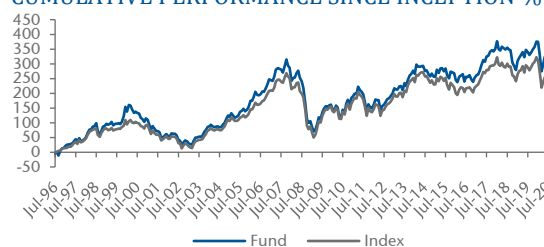
	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	4.53	15.04	2.36	13.20	13.72	34.47	106.76
Cumulative Index	4.11	12.51	-5.71	5.43	4.91	21.35	74.24
Fund Annualised Net	4.53	15.04	2.36	13.20	4.37	6.09	7.53
Index Annualised	4.11	12.51	-5.71	5.43	1.61	3.94	5.70

Fund performance is calculated on a NAV to NAV basis. Please see performance notes for further details.

## CALENDAR YEAR PERFORMANCE %

	2019	2018	2017	2016	2015
Fund Net	25.61	-15.84	27.43	-4.21	3.58
Index	23.77	-14.86	25.51	-0.40	-2.84

## CUMULATIVE PERFORMANCE SINCE INCEPTION %



## TOP 10 HOLDINGS %

	Fund
Nestle S.A.	4.5
Roche Holding AG	3.5
ASML Holding NV	2.6
Novo Nordisk A/S	2.2
Novartis AG	2.1
Iberdrola SA	2.0
AstraZeneca PLC	2.0
Enel SpA	2.0
Lonza Group AG	1.9
LVMH Moët Hennessy Louis Vuitton SE	1.9
<b>Total</b>	<b>24.8</b>

No. of holdings 106

## TOP 5 STOCK OVERWEIGHTS/UNDERWEIGHTS %

	Difference
<b>Overweight</b>	
Neste Corporation	1.6
Lonza Group AG	1.4
Vestas Wind Systems A/S	1.3
Iberdrola SA	1.2
Teleperformance	1.2
<b>Underweight</b>	
Allianz SE	-1.0
Total SE	-1.1
Royal Dutch Shell Plc	-1.3
Sanofi	-1.3
SAP SE	-2.0

## SECTOR ALLOCATION %

	Fund	Difference
Health Care	20.4	4.7
Industrials	15.4	1.3
Consumer Discretionary	11.8	1.5
Information Technology	10.9	3.1
Consumer Staples	10.1	-4.4
Financials	8.8	-6.2
Materials	7.1	-0.8
Utilities	4.5	-0.5
Communication Services	2.3	-1.8
Energy	2.2	-2.1
Real Estate	1.4	0.0
Cash	5.1	5.1

## GEOGRAPHIC ALLOCATION %

	Fund	Difference
United Kingdom	22.2	0.4
Switzerland	14.0	-2.3
Germany	11.1	-4.2
France	10.7	-6.7
Netherlands	9.1	2.2
Denmark	7.7	3.7
Sweden	7.3	2.1
Italy	4.7	1.0
Finland	2.9	1.2
Ireland	2.8	1.7
Spain	2.0	-1.6
Norway	0.4	-0.5
Other	0.0	-2.0
Cash	5.1	5.1

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## Fund Codes

### Accumulation Units:

Bloomberg	PIFEGFA ID
ISIN	IE0001148372
Lipper	60008019
SEDOL	0114837
Valoren	514304
WKN	986041

### Income Units:

ISIN	IE0000712996
Lipper	60008020

## FUND MANAGEMENT COMMENTARY

### Market Review

Global equity markets continued their historic recovery in August officially moving on from the shortest bear market in U.S. history. Many regions and indices are back to returning positive returns for 2020 fueled by unprecedented monetary measures globally. While COVID-19 headlines remained mixed as new hot spots rose in parts of the world, hospitalizations and death trends improved. Growth-oriented companies maintained their leadership helped by U.S. technology whose earnings seemed to be insulated from the pandemic as the earnings season came to a close. Additionally, the more cyclically oriented areas of industrials and discretionary also performed well helped by economic reopenings and a resilient consumer and housing market.

Early signs of a growth pick-up globally are pushing commodity prices higher. While more modest than the previous months, oil, copper, iron ore and agricultural prices all moved higher on better supply/demand dynamics. And as we kick off hurricane season, we'll see if closures and disruptions further enhance upside.

### Fund Review

The portfolio outperformed the index during the month.

### Market Outlook

Various shocks to the global economic system led by the global pandemic and geo-political tensions have weighed heavily on growth and other economic dynamics placing much of the globe in a recessionary stage. Disruptions to the supply chain from the coronavirus weighed further on already slowing business investment and capital expenditures. However, gradual reopenings and ongoing stimulus have surfaced recovery signs and despite a subtle blip, the consumer has returned to contributing to the expected growth recovery. Housing has remained resilient, though a potential rise in rates could dampen housing purchases and refinancing expectations. Additionally, the U.S. government remains at an impasse on further relief programs and we'll be keeping a close eye if spending should falter with the programs now having expired.

## PERFORMANCE NOTE

Launch date shown is date from which performance information is accessible, the actual Fund launch date is 24 June 1996.

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. 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 will differ. The performance information reflects performance of the A Class accumulation units. Periods over one year are annualised. Investors should obtain their own independent tax advice. Outperforming the MSCI Europe 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. From Fund inception to 31 October 2002, the source of performance is based on the previous Advisor, BT Funds Management. From 1 November 2002, the source of performance is based on the current Advisor, Principal Global Investors, LLC. Source: MSCI. 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 August 2020. 2020 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. All figures shown in this document are in U.S. dollars unless otherwise noted. Source & Copyright: CITYWIRE. Portfolio managers are A rated by Citywire for 3 year risk-adjusted performance for the period 31 July 2017 - 31 July 2020. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

## DISCLOSURE

\*Where applicable: In Singapore, the Fund is registered as a Restricted Scheme and in Italy for Qualified Investors only.

Divergences between the returns of unit classes denominated in the base currency of the fund and hedged unit classes may arise among other things due to interest rate differentials between the base currency of the fund and the hedged unit class currency.

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This document has not been reviewed by the Securities and Futures Commission.

## Contact Us

For more information on the fund, please contact:

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852 2117 8383

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