

Preferred Securities Fund - A Class Income Units

31 March 2025

Investment manager

Principal Global Investors, LLC

Sub investment manager

Spectrum Asset Management[†] specialises in the management of preferred securities. Principal Global Investors, LLC has been appointed as Investment Manager to the Fund, and has appointed Spectrum Asset Management, Inc. as the Sub-Investment Manager.

Fund managers

Kevin Nugent

41 Yrs Industry Exp

Manu Krishnan, CFA

21 Yrs Industry Exp

Mark A. Lieb

48 Yrs Industry Exp

L. Phillip Jacoby, IV

43 Yrs Industry Exp

Bob Giangregorio

22 Yrs Industry Exp

Fred Diaz

33 Yrs Industry Exp

Satomi Yarnell

16 Yrs Industry Exp

Investment objective

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of US dollar denominated preferred securities and debt securities, including convertible bonds and contingent convertible securities (CoCos).

Index

BBG GLOBAL AGG CORP USD TR

Fund facts

Fund size	\$4.25b
Launch date	03 Feb 2005
Fund base currency	USD
Min investment	US\$ 1,000
Fund domicile	IRELAND
UCITS qualifying	Yes
Dealing cut off	10:00 AM GMT Daily 5pm Hong Kong SAR
SFDR Categorisation	Article 8
Fee structure	A Class
Preliminary charge	max 5%
Management fee	0.90% pa
Admin charge	0.15% pa
Trustee fee	Not more than 0.022% pa

Investor minimum

Please contact Principal Global Investors

Fund grading

Mark Lieb, Bob Giangregorio, and Manu Krishnan AA rated - Citywire Fund Manager Ratings



Important note

- The Preferred Securities Fund will invest primarily in a portfolio of U.S. dollar denominated preferred securities and debt securities.
- The Fund's investments will be offered on markets listed in Appendix A to the Prospectus, although it is anticipated that the majority will be issued by U.S. issuers. 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.
- In relation to A Class Income Units of the Fund, the dividends which may be distributed by such class of units may be paid effectively out of the capital of the Fund (i.e. making the distribution from gross income while charging all or part of the Fund's fees and expenses to capital), resulting in an increase in distributable income for the payment of dividends by the Fund and an immediate reduction of the net asset value per unit of the Fund. Payment of dividends effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Dividend is not guaranteed.

Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	-0.36	0.95	0.95	6.38	11.24	29.45	41.82
Cumulative Index	-0.23	2.35	2.35	5.19	4.46	8.82	28.27
Fund Annualised Net	-0.36	0.95	0.95	6.38	3.61	5.29	3.55
Index Annualised	-0.23	2.35	2.35	5.19	1.46	1.70	2.52

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

Calendar year performance (%)

	2024	2023	2022	2021	2020
Fund Net	8.36	7.97	-10.48	2.01	4.35
Index	2.57	8.47	-15.28	-0.89	9.68

Fund analysis

	Fund	Index
Average Credit Quality	Baa2	A3
Current Yield**	6.0	4.6
Yield to Worst***	5.8	5.1
Yield to Maturity#	7.1	5.1
Modified Duration	4.0	6.4

Top 10 holdings (%)

	Fund
Zurich Finance Ireland 3 1/31-51 REG S	2.6
PGIF High Grade Capital Securities Fund	2.2
PGIF Capital Securities Fund	2.2
Enterprise Products Oper 5.25 8/27-77	2.1
Toronto Dominion Bank 8.125 10/27-82	1.9
Royal Bank of Canada 6.35 11/34-84	1.9
Intesa SanPaolo SPA 7.70 9/25-49 144A	1.7
Enbridge Inc 6 1/27-77	1.6
Nippon Life Insurance 2.75 1/31-51 Reg S	1.6
Munich Re 5.875 11/31-42 REG S	1.6
Total	19.5

No. of holdings

250

Credit quality (%)

	Fund
AA/AAA and cash	0.5
A	18.8
BBB	64.5
BB and Lower	11.6
FX Hedge	0.0
UCITS Fund	4.5
Not Rated	0.2

Geographic allocation (%)

	Fund
United States	34.9
Canada	14.8
Great Britain	9.2
Switzerland	8.8
France	5.5
Japan	4.7
Ucits Fund	4.5
Germany	3.3
Netherlands	2.9
Spain	2.7
Italy	2.0
Australia	1.9
Sweden	1.6
Other	2.7
Cash	0.5

Industry allocation (%)

	Fund
Banks	48.6
Insurance	27.9
Utilities	9.2
Energy	6.5
UCITS Fund	4.5
Financials	1.1
REITs	0.8
Industrials	0.7
Telecommunications	0.1
Other	0.0
Cash	0.5

For additional information on UCITS fund investments please follow the links below:

[Principal High Grade Capital Securities I Class Accumulation Unhedged Units](#)
[Principal Capital Securities I Class Accumulation Unhedged Units](#)

Source: Principal Global Investors and/or its affiliates and the Index. Characteristics sources: Bloomberg, Moody's, S&P, Fitch, and Spectrum Asset Management.

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	PRIIFS1 ID
ISIN	IE00B067MS69
Lipper	60015003
SEDOL	B067MS6
CUSIP	G7244L289
Valoren	2079429
WKN	A0D8HO

Registration*

Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Hong Kong SAR, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Macau, Netherlands, Norway, Singapore, South Korea, Spain, Sweden, Switzerland, UAE and UK

Performance note

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 31st December 2018, the data performance calculations reflect the month-end market close prices of the Fund's assets. After 1 January 2019, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. As a result, it is possible that the stated performance and the actual investment returns available to investors will differ. The performance information reflects the performance of the A Class income units. Periods over one year are annualised. Investors should obtain their own independent tax advice. ##The following performance comparators were used for the Fund between the dates specified: Inception to 30 September 2008, Lehman Aggregate Index or BofA Merrill Lynch Preferred Stock Index; 1 October 2008 to 31 March 2011, 65% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 35% Barclays Capital CapSec Tier 1 Index; 1 April 2011 to 28 February 2014, 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 50% Barclays Capital CapSec Tier 1 Index; and 28 February 2014 to 29 September 2018, 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index and 50% BofA Merrill Lynch US Capital Securities Index. On 30 September 2018, the performance comparator for the Fund changed to the current Index and on that date the index returns presented in this factsheet from inception of the Fund were amended to solely show those of the current index. Index returns for the other indices will be provided upon request. The inception date of the fund is 22 April 2003; not all share classes may be available to all investors. Performance since the inception of the fund is available on request. Outperforming the Blended Index is not specifically included in the objective of the Fund, and the figures shown in the table are provided as a comparison only. The methods of calculation of performance may not be identical. The source of performance is based on the current Investment Manager, Principal Global Investors, LLC. Past performance is not indicative of future performance. **Current Yield is the annual interest earned on the underlying bonds divided by the market price of the underlying portfolio of bonds. The figure is not the dividend yield received by the investors and is subject to change depending on the underlying portfolio of bonds. ***Yield to Worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making the worst-case scenario assumptions on the issue. #Yield to Maturity is a concept used to determine the rate of return an investor will receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. Please note that this is not the return or dividend to be received by investors in the fund. Credit Quality refers to the credit ratings for the underlying securities in the Fund as rated by Standard & Poor's or Moody's Investors Service, and typically range from AAA/Aaa (highest) to C/D (lowest). If Moody's and S&P assign different ratings, the higher rating is used. Ratings methodologies and individual ratings can change over time. All figures shown in this document are in U.S dollars unless otherwise noted. Source & Copyright: CITYWIRE. Portfolio managers are AA rated by Citywire for 3 year risk-adjusted performance for the period 28 February 2022 - 28 February 2025. 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.

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Contact us

For more information on the fund, please contact:

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