

Global Property Securities Fund - D2 Class Inc Units (USD)

30 September 2021

Investment advisor

Principal Global Investors, LLC

Sub investment advisor

The real estate capabilities of Principal Real Estate Investors, LLC span the spectrum of public and private equity and debt investment alternatives.

Principal Global Investors, LLC has been appointed as Investment Advisor to the Fund and has appointed Principal Real Estate Investors, LLC, Principal Global Investors (Europe) Ltd, Principal Global Investors (Australia) Ltd and Principal Global Investors (Singapore) Ltd as the Sub-Investment Advisors.

Fund managers

Kelly D. Rush, CFA

37 Yrs Industry Exp

Anthony Kenkel, CFA, FRM

24 Yrs Industry Exp

Simon Hedger

43 Yrs Industry Exp

Investment objective

The objective of the Fund is to seek to provide a total return primarily through investment in a portfolio of global property securities.

Index

FTSE EPRA NAREIT Developed NTR

Index**

Fund facts

Fund size	\$654.4m
Launch date	09 Dec 2019
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

Income Distribution	Income
Fee structure	D2 Class
Preliminary charge	max 5%
Management fee	0.80% pa
Admin charge	0.15% pa
Marketing and distribution fee	0.75% pa
Trustee fee	Not more than 0.022% pa

Investor minimum
Please contact Principal Global Investors

Fund grading

Kelly Rush and Anthony Kenkel AA rated -
Citywire Fund Manager Ratings



Important note

- The Fund shall invest no less than 80% of the assets of the Fund in real estate investment trusts ("REITs") and common equity securities issued by non-REIT real estate companies in the United States and REITs, common equity securities issued by non-REIT real estate companies and similar structures in other areas of the world.
- Risks associated with investing in the securities of companies in the real estate industry include the following: declines in the value of real estate, risks related to general and local economic, political and market conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, defaults on mortgage payments, variations in rental income, changes in neighbourhood values, vacancy rates, the appeal of properties to tenants and increases in interest rates.
- 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 D2 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 (%)

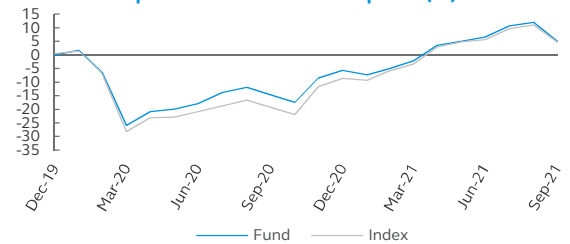
	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	-6.21	-1.37	11.37	22.99	-	-	5.06
Cumulative Index	-5.80	-0.90	14.46	29.64	-	-	4.65
Fund Annualised Net	-6.21	-1.37	11.37	22.99	-	-	2.76
Index Annualised	-5.80	-0.90	14.46	29.64	-	-	2.54

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

Calendar year performance (%)

	2020	2019	2018	2017	2016
Fund Net	-5.66	-	-	-	-
Index	-9.04	-	-	-	-

Cumulative performance since inception (%)



Top 10 holdings (%)

	Fund
Prologis Incorporated	3.7
Invitation Homes, Inc.	3.4
Avalon Bay Communities, Incorporated	3.2
SEGRO plc	3.0
Essex Property Trust, Inc.	2.8
Vonovia SE	2.7
Sun Communities, Inc.	2.5
Extra Space Storage Inc.	2.4
Ventas, Inc.	2.3
Alexandria Real Estate Equities, Inc.	2.2
Total	28.2
No. of holdings	91

Sector allocation (%)

	Fund	Difference
Office & Industrial	25.0	1.7
Residential	22.8	4.6
Diversified	18.2	-0.2
Healthcare	7.5	0.3
Technology Space	6.4	-0.4
Self-Storage	5.3	0.1
Net Lease	5.2	-1.8
Retail	4.7	-6.3
Lodging	2.4	-0.1
Other	1.7	1.3
Cash	0.9	0.9

Top 5 stock overweights/underweights (%)

	Difference
Overweight	
Invitation Homes, Inc.	2.2
SEGRO plc	2.0
American Tower Corporation	1.8
Essex Property Trust, Inc.	1.7
Rexford Industrial Realty, Inc.	1.7
Underweight	
Equinix, Inc.	-1.5
Equity Residential	-1.6
Simon Property Group, Inc.	-1.9
Digital Realty Trust, Inc.	-2.1
Public Storage	-2.4

Geographic allocation (%)

	Fund	Difference
United States	56.4	-1.8
Continental Europe / Emea	10.1	-1.7
Japan	9.9	-0.6
United Kingdom	6.0	1.4
Australia / New Zealand	4.5	0.5
Canada	4.2	1.2
Hong Kong	3.7	-1.0
Singapore	2.4	-0.8
Emerging Asia	1.5	1.5
Mexico	0.3	0.3
Cash	0.9	0.9

Fund codes

Bloomberg	PRGPSDU ID
ISIN	IE00BYM2LR54
Lipper	68364917
SEDOL	BYM2LR5
CUSIP	G72451365
Valoren	30695779
WKN	A2PWXG

Registration*

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

Fund management commentary**Market Review**

Risk assets sold off on rising stagflationary concerns caused by soaring energy prices, supply chain bottlenecks, and start-stop reopenings as governments struggled to contain the COVID-19 delta variant. A hawkish Fed meeting during the month helped sparked a surge in U.S. 10-year bond yields. Rate sensitive property stocks (FTSE EPRA/NAREIT Developed NTR, -5.8%) underperformed global equities (MSCI World, -4.1%) and global bonds (Barclays Global Aggregate, -1.8%). Europe was the weakest performer as markets priced in slower growth driven by a combination of a surge in power prices and concerns that a China property-led slowdown would weigh on the export sensitive Euro area. After a relatively weaker first half, Asia was the outperformer, despite concerns over China dominating global headlines. The Americas also had negative performance. Rising 10-year yields were in focus, coinciding with concerns of slowing growth.

Fund Review

Underperformance was mainly attributed to stock selection. Within Hong Kong, preference for developers over other sectors detracted amidst risk-off sentiment. Overweight to underperforming growth sectors such as U.K. student housing and self-storage, as well as high-quality office exposure in Spain, detracted. In the U.S., overweights to single family rental and towers detracted. Underweight to malls was detractive. We missed on strength from Australian retail.

Underweight to a U.S. data centers REIT contributed. Overweight to a U.S. health care REIT contributed due to positive updates on senior housing occupancy. Exposure to a Singapore investor contributed following completion of its restructuring into a more fund management focused vehicle.

Market Outlook

Energy shortages and supply chain bottlenecks are raising concerns over inflation persistence. This is forcing the hand of central bankers around the world to taper or embark on rate hikes. The government-induced slowdown in the Chinese economy is an additional overhang on the global growth outlook. The saving grace is that while the rate of acceleration of global growth may have slowed, the levels of growth remain healthy despite some recent downward revisions.

We are cautiously constructive on markets going forward but will continue to evaluate relative valuations as we expect that virus uncertainty and policy-induced volatility is likely here to stay.

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 performance of the D2 Class income units. Periods over one year are annualised. Investors should obtain their own independent tax advice. **Outperforming the FTSE EPRA NAREIT Developed NTR Index is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. 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 AA rated by Citywire for 3 year risk-adjusted performance for the period 31 August 2018 - 31 August 2021. 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.

The information in this document contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such, nor should it be construed as specific investment advice, an opinion or recommendation. The information it contains does not take into account the investment objectives, particular needs or financial situation of any investor or any particular class(es) of investors. Any person considering making an investment should seek independent advice on the suitability or otherwise of the particular investment. Past performance is not a reliable indicator of future performance and should not be relied upon as a significant basis for an investment decision. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision. 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 for errors or omissions in this document.

The content of this document is provided by Principal Global Investors. Principal Global Investors (Ireland) Limited is the Manager of the Principal Global Investors Funds. This document is issued in Hong Kong SAR (China) by Principal Investment & Retirement Services Limited, Hong Kong SAR (China) Representative of the Principal Global Investors Funds. Principal Investment & Retirement Services Limited is licensed with the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.

The current document is intended for information purposes only and shall not be used as an offer to buy and/or sell shares. The information in this document has been derived from sources believed to be accurate as of September 2021.

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

Unless specified in this document, the strategy does not:

(i) promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR"); nor

(ii) have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

Notwithstanding this, the strategy/product is managed in line with the Principal Global Investors responsible investment policy, incorporating its Sustainability Risk and Principle Adverse Impacts policies. These policies can be found at <https://www.principalglobal.com/about-us>.

Contact us

For more information on the fund, please contact:

Principal Investment & Retirement Services Limited
852 2117 8383

A member of Principal Financial Group®.