

28 February 2021

Global Property Securities Fund - D2 Class Income Units USD

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.

Investment Advisor

Principal Global Investors, LLC

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	\$570.8m
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 SAR
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

Registration*

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

Fund Grading

Kelly Rush and Anthony Kenkel A 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 %

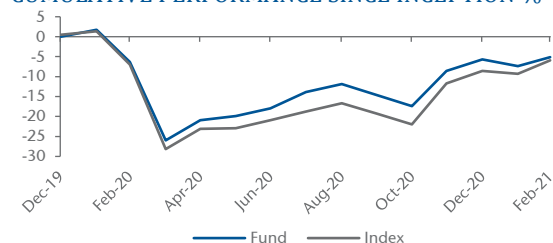
	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	2.45	3.76	0.59	1.33	-	-	-5.10
Cumulative Index	3.70	6.47	2.86	1.12	-	-	-5.95
Fund Annualised Net	2.45	3.76	0.59	1.33	-	-	-4.18
Index Annualised	3.70	6.47	2.86	1.12	-	-	-4.88

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	5.0
Vonovia SE	4.5
Welltower, Inc.	3.5
Avalon Bay Communities, Incorporated	3.1
Invitation Homes, Inc.	3.0
SEGRO plc	2.9
Essex Property Trust, Inc.	2.7
Mitsubishi Estate Company, Limited	2.3
American Homes 4 Rent	2.2
Sun Hung Kai Properties Limited	2.1
Total	31.3
No. of holdings	90

TOP 5 STOCK OVERWEIGHTS/UNDERWEIGHTS %

	Difference
Overweight	
Vonovia SE	2.2
SEGRO plc	2.0
Invitation Homes, Inc.	1.9
Welltower, Inc.	1.7
American Homes 4 Rent	1.7
Underweight	
Ventas, Inc.	-1.2
Realty Income Corporation	-1.3
Simon Property Group, Inc.	-1.9
Public Storage	-2.2
Digital Realty Trust, Inc.	-2.4

SECTOR ALLOCATION %

	Fund	Difference
Office & Industrial	25.4	1.7
Residential	24.8	6.6
Diversified	18.6	-1.7
Healthcare	6.3	-1.3
Retail	6.0	-5.9
Technology Space	5.4	2.2
Net Lease	4.4	-2.7
Self-Storage	4.2	-0.5
Lodging	1.5	-1.4
Other	1.1	0.7
Cash	2.3	2.3

GEOGRAPHIC ALLOCATION %

	Fund	Difference
United States	50.9	-3.3
Continental Europe / Emea	10.9	-2.4
Japan	10.9	-0.8
Hong Kong	6.3	0.2
United Kingdom	6.0	1.1
Australia / New Zealand	4.7	1.0
Canada	3.8	1.0
Singapore	2.2	-1.0
Emerging Asia	1.8	1.8
Mexico	0.3	0.3
Cash	2.3	2.3

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Fund Codes

Income Units:
Bloomberg
ISIN

PRGPSDU ID
IE00BYM2LR54

FUND MANAGEMENT COMMENTARY

Market Review

The rollout of vaccines, the prospect of expanded United States fiscal stimulus, and continued dovish messaging by the U.S. propelled global equities higher in the first half of the month before a sharp ratchet up in long bond yields towards month end drove profit taking. The risk-on rotation evident since the last quarter of 2020 continued in a powerful way in the broader market. This helped REITs outperform equities even in the face of the broader market pullback, as reopening themes held sway over the month. Both REITs (FTSE EPRA/NAREIT Developed NTR, +3.70%) and equities (MSCI World, +2.60%) outperformed bonds (Barclays Global Aggregate, -1.72%).

The Americas was the strongest region. APAC trailed modestly. The Eurozone was the weakest region and the only region to end the month in the red.

Fund Review

The risk-on rotation continued in anticipation of further fiscal stimulus and a vaccine-led recovery. Value and cyclical stocks were outperformers, while higher growth and defensive stocks lagged, which hurt excess returns. Underweight to U.S. retail, hotels, and traditional office was the most significant detractor. These risk-on REITs were leaders, boosted further by improved outlook commentary (hotels) and leasing activity (shopping centers). Exposure to global industrial and U.S. towers and lab office also detracted, as these defensive/structurally driven sectors lagged. Stock selection in Hong Kong also modestly detracted, as we missed on a bounce in performance on lessened travel restrictions and spending vouchers for residents. Stock selection in U.S. apartments contributed, as we are overweight to coastal gateway stocks, which benefited from the green shoots reflected in the earnings releases for the coastal portfolios. Stock selection in Australian diversified contributed. Avoiding Netherlands and Switzerland stocks also contributed. The retail heavy Netherlands was one of the weakest regions. Defensive Switzerland lagged due to the risk-on sentiment.

Market Outlook

We believe stocks with superior earnings prospects and favorable structural demand drivers are best positioned to outperform in the intermediate to longer-term future. We have selectively added to cyclical themes on weakness, particularly where we feel consensus has been too bearish and there is scope for earning upgrades.

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 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 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 A rated by Citywire for 3 year risk-adjusted performance for the period 31 January 2018 - 31 January 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.

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

Contact Us

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