

31 March 2019

Global Property Securities Fund - I Class Accumulation Units

Investment Manager

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

MBA, University of Iowa
35 Yrs Industry Exp

Anthony Kenkel, CFA, FRM

MBA, University of Chicago
22 Yrs Industry Exp

Simon Hedger

MBA, University of New England
41 Yrs Industry Exp

Investment Objective

The Fund seeks to provide a return primarily through investment in a portfolio of global publicly traded securities of companies engaged in the property industry or whose value is largely derived from property assets. This will include real estate investment trusts (REITs) or real estate operating companies (REOCs) in the United States, and REOC or REIT like structures in other areas of the world. The Fund may also invest in equity and debt securities of companies that at the time of investment have at least 50% of their assets, income or profits derived from products or services related to the global property industry.

Performance Comparator

The Fund is managed without reference to a particular benchmark. Figures in relation to the FTSE EPRA NAREIT Developed NTR Index are provided for comparison only.

Fund Facts

Fund Size	\$255.5m
Launch Date	27 Nov 2008
Base Currency	USD
Hedging	N/A
Min Investment	US\$2,000,000
Management Fee	0.80% pa
Fund Domicile	Ireland
UCITs Qualifying	Yes
Pricing	Daily
Dealing	10am Dublin
Income Distribution	Accumulated
Trustee Fee	Not more than 0.022% pa

Country Registration*

Austria, Belgium, Chile, Denmark, Finland, France, Germany, Guernsey, Ireland, Italy, Jersey, Luxembourg, Netherlands, Norway, Singapore, South-Korea, Spain, Sweden, Switzerland and UK

Fund Grading

4 Star Overall Morningstar Rating™ as of 31 March 2019



Portfolio Managers A rated - Citywire Fund Manager Ratings



Regulatory Risk Warnings

Past performance is not a reliable indicator of future performance. There is no guarantee that the investment objective of the Fund will be achieved. This shareclass is unhedged. Unhedged shareclasses are exposed to greater risk and volatility. Please note the fund does have hedged shareclasses available.

PERFORMANCE %

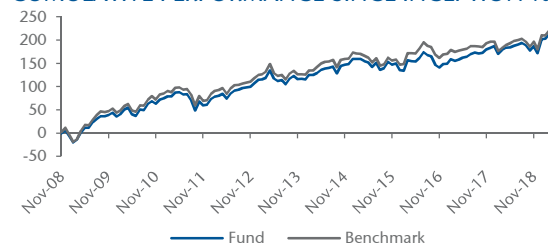
	1M	3M	YTD	1YR	3YR	5YR	10YR
Fund Cumulative Net	3.45	15.21	15.21	12.44	21.94	39.34	264.34
Benchmark Cumulative	3.51	14.59	14.59	13.27	18.02	36.48	270.59
Fund Annualised Net	3.45	15.21	15.21	12.44	6.84	6.86	13.79
Benchmark Annualised	3.51	14.59	14.59	13.27	5.68	6.41	13.99

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

CALENDAR YEAR PERFORMANCE %

	2018	2017	2016	2015	2014
Fund Net	-4.24	14.16	-0.51	0.54	14.78
Benchmark	-5.63	10.36	4.06	-0.79	15.02

CUMULATIVE PERFORMANCE SINCE INCEPTION %



FUND ANALYSIS

	Fund	Benchmark
Active Share	58.8	-
Price/Cash Flow	19.3	17.8
Debt to Equity	222.6	146.1
Div Yield Wtd Avg	3.0	3.6
Mkt Cap Wtd Avg USDm	16,871.6	15,704.5

RISK ANALYSIS

	3YR	5YR
Information Ratio	0.6	0.2
Alpha	1.3	0.5
Tracking Error	1.9	1.8
Standard Deviation	10.9	11.9
Beta	1.0	1.0

TOP 10 HOLDINGS %

	Fund
Deutsche Wohnen SE	3.6
Prologis Incorporated	3.6
Avalon Bay Communities, Incorporated	3.6
Simon Property Group, Inc.	2.9
Mitsubishi Estate Company, Limited	2.9
Welltower, Inc.	2.8
Goodman Group	2.7
Alexandria Real Estate Equities, Inc.	2.6
Mitsui Fudosan Co., Ltd.	2.6
Invitation Homes, Inc.	2.5
Total	29.9
No. of holdings	84

TOP 5 STOCK OVERWEIGHTS/UNDERWEIGHTS %

	Difference
Overweight	
Deutsche Wohnen SE	2.5
Invitation Homes, Inc.	1.9
Avalon Bay Communities, Incorporated	1.8
SEGRO plc	1.8
Goodman Group	1.7
Underweight	
Ventas, Inc.	-1.4
Public Storage	-1.5
CK Asset Holdings Limited	-1.5
Digital Realty Trust, Inc.	-1.6
Vonovia SE	-1.7

SECTOR ALLOCATION %

	Fund	Difference
Office & Industrial	22.8	1.8
Residential	20.9	4.3
Diversified	20.2	-2.9
Retail	10.6	-5.2
Lodging	5.8	2.0
Healthcare	5.6	-1.7
Net Lease	4.7	-1.4
Self-Storage	4.5	0.6
Technology Space	3.6	1.5
Other	0.4	0.1
Cash	1.0	1.0

COUNTRY ALLOCATION %

	Fund	Difference
United States	53.6	0.5
Continental Europe / Emea	13.0	0.6
Japan	11.8	0.7
Hong Kong	7.8	-0.7
Australia / New Zealand	5.0	0.2
United Kingdom	4.9	0.3
Canada	1.3	-1.6
Singapore	1.1	-1.4
Mexico	0.5	0.5
Middle East & Africa	0.0	-0.1
Cash	1.0	1.0

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Fund Codes

Accumulation Units:

Bloomberg	PIFGUIA ID
ISIN	IE00B62LQD71
Lipper	65137370
SEDOL	B62LQD7
CUSIP	G7244T 217
Valoren	11324005
WKN	A1JBG

Regulatory Risk Warnings

The potential for profit is accompanied by the possibility of loss.

FUND MANAGEMENT COMMENTARY

Market Review

Global REITs gained 3.5%, outperforming global equities and bonds as proxied by the MSCI World and the JPM Global Bond Index, both of which gained 1.4%. Risk assets continued to benefit from a further dovish turn by the Fed and ECB. Heightened expectations for a trade deal and signs of stabilizing Chinese data following more stimulus announced were other supportive factors.

Unless otherwise stated, property returns below are stated in (local, US dollar) format and are based on the FTSE EPRA NAREIT Developed index or representatives held in the portfolio.

Asia (+4.8%, +5%) was the best performer. The Americas gained (+3.1%, +3.1%). Europe was the laggard, gaining (+4.1%, +2.7%).

Fund Review

Selection in US office was a contributor with the holdings in the space outperforming peers. Ex-index tower stocks and self-storage were also positives for the portfolio. In the UK, the portfolio continues to benefit from holding names in niche sectors that perform better than those in the services sector with the BREXIT overhang. These positive selection decisions were negated by weak results from holdings in US net lease and data centers. Weak selection in Hong Kong developers was a drag as two stocks we did not hold reacted positively to results that displayed dividend growth.

Market Outlook

Economic and trade related uncertainties have driven a dovish pivot by central banks globally. At the same time, there are emergent signs that a trade resolution may be on the cards and Chinese stimulus seems to be gaining traction. A combination of benign interest rates and stabilizing growth should present supportive conditions for equity markets and interest rate sensitives such as REITs. Looking out beyond the potential near-term stabilization in economic data and relief over a trade deal however, many key global economies are in the late stages of a prolonged economic expansion and there remain political risks related to Brexit and Italy that could once again throw a spanner into the works.

PERFORMANCE NOTE

All figures sourced by Principal Global Investors unless otherwise stated as at March 2019. Performance Source: 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 and 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 Global Property Securities Fund I Acc USD Unhedged performance table currently shows the benchmark returns for the unhedged net total return (NTR). The Fund is managed without reference to a particular benchmark; it does not track or define asset allocation in respect of a benchmark. The figures published are for information purposes only and provide details of the performance of a comparable index, the 'Performance Comparator'. The method of calculating performance may differ between the Fund and its Performance Comparator. Further, it is not possible to invest in the Performance Comparator. Source & Copyright: CITYWIRE. Kelly D. Rush, Anthony Kenkel and Simon Hedger A rated by Citywire for 3 year risk-adjusted performance for the period 28 February 2016 – 28 February 2019. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally. Overall Morningstar Rating™ as of March 2019. 2019 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 are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding.

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