

Global High Yield Fund - Hong Kong Dollar D2 Class Income Plus Units

30 April 2023

Investment advisor

Principal Global Investors, LLC ("PGI")

Fund managers

Mark Denkinger, CFA

33 Yrs Industry Exp

Darrin Smith, CFA

32 Yrs Industry Exp

Joshua Rank, CFA

23 Yrs Industry Exp

Investment objective

The Fund seeks to provide a return consisting of income and, over the long term, capital growth. The Fund seeks to achieve its overall objective by investing primarily in a portfolio of US dollar denominated high yield fixed income securities. The Fund may also invest globally in public and private issued high yield fixed income securities. All securities in the portfolio will generally be rated below investment grade. Any exposure to currencies other than US dollar will be hedged back to US dollars.

Index

ICE BofA Global High Yield USD Hedged Index*

Fund facts

Fund size	HKD 1,771.9m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin 5pm Hong Kong SAR
SFDR Categorisation	Article 8

Unit class facts

Launch date	02 Jun 2020
Currency	HKD
Hedging	Portfolio
Minimum investment	US\$1,000
Management fee(s)	0.60% pa
Income distribution	Income
Distribution frequency:	

Fund grading

Mark Denkinger, Darrin Smith and Joshua Rank + rated - Citywire Fund Manager Ratings



Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	0.72	0.92	4.82	0.61	-	-	8.21
Index Cumulative	0.69	0.28	4.61	0.80	-	-	8.20
Fund Annualised Net	0.72	0.92	4.82	0.61	-	-	2.74
Index Annualised	0.69	0.28	4.61	0.80	-	-	2.74

12-month rolling return (%)

May 18 - Apr 19	May 19 - Apr 20	May 20 - Apr 21	May 21 - Apr 22	May 22 - Apr 23
-	-	-	-4.78	0.61

Risk analysis

	1YR
Information Ratio	-0.1
Alpha	-0.2
Tracking Error	1.8
Standard Deviation	11.3
Beta	1.0

Past performance is not a reliable indicator of future performance.

Source: Fund Administrator: BNY Mellon Fund Services (Ireland) DAC since February 2011, performance data prior to this date is sourced from PGI and/or its affiliates; and the Index.

Data: From December 2018, 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. 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. (See performance note for further details.)

Fund analysis

	Fund	Index
Average Credit Quality	BB-	B+
Current Yield	6.1	6.3
Yield to Worst	8.1	8.7
Yield to Maturity	8.2	8.6
Option Adjusted Duration (Years)	3.5	3.7

Any yields quoted on the fact sheet are calculated at portfolio level gross of tax and expenses.

Top 10 holdings (%)

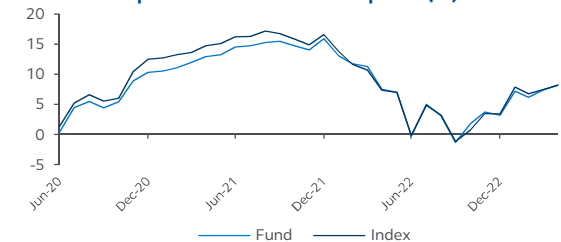
	Fund
Tenet Healthcare Corp	0.9
Chs/Community Health Systems Inc	0.8
International Game Technology Plc	0.8
Fertitta Entertainment Llc / Fertitta Entertainm	0.8
Consolidated Energy Finance Sa	0.7
Smyrna Ready Mix Concrete Llc	0.7
Watco Cos Llc / Watco Finance Corp	0.7
Ladder Capital Finance Holdings Lllp / Ladder Ca	0.6
Aethon United Br Lp / Aethon United Finance Corp	0.6
Imola Merger Corp	0.6
Total	7.3

No. of holdings 308

Geographic allocation (%)

	Fund	Difference
United States	67.6	12.8
Great Britain	5.8	1.5
Canada	5.8	2.5
Germany	3.8	1.0
Netherlands	3.3	1.9
Italy	2.6	-1.3
Luxembourg	1.6	0.0
France	1.3	-2.5
Switzerland	0.7	0.5
Sweden	0.6	-0.1
Macau	0.6	0.1
Spain	0.6	-1.5
Gibraltar	0.6	0.5
Other	5.1	-15.4

Cumulative performance since inception (%)



Credit quality (%)

	Fund	Difference
AAA	5.7	5.7
BBB	4.2	3.0
BB	39.6	-15.2
B	41.7	7.5
CCC and Below	7.7	-2.0
Not Rated	1.1	1.1

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. Credit Quality: AAA includes cash.

Industry allocation (%)

	Fund	Difference
Energy	10.9	-2.2
Leisure	9.0	2.4
Basic Industry	7.8	-0.1
Media	7.1	1.0
Capital Goods	7.1	1.4
Healthcare	6.9	0.1
Telecommunications	6.3	-0.5
Automotive	5.3	-0.3
Services	5.2	-0.2
Retail	5.0	0.3
Financial Services	4.9	0.3
Technology & Electronics	4.6	0.3
Consumer Goods	4.1	0.6
Transportation	3.7	0.6
Real Estate	2.7	-1.4
Utility	1.3	-3.6
Banking	1.1	-4.4
Insurance	0.9	-0.3
Asset Backed	0.5	0.5
Cash	5.7	5.7

Source: Principal Global Investors and/or its affiliates and the Index. Certain analytics powered by Aladdin® by BlackRock®, BlackRock® and Aladdin® are trademarks and service marks of BlackRock, Inc. and its affiliates (collectively, "BlackRock"). BlackRock owns all proprietary rights in the marks and in the Aladdin® by BlackRock® services. BlackRock neither approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom.

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	PGHD2PH ID
ISIN	IE00BKHY2756
Lipper	68610577
Valoren	52537591
WKN	A2P6BH
Registration	
Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Hong Kong SAR, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Macau, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland and UK	
Not all unit classes are registered in the listed countries, please contact your sales representative for more details. In Italy, the Fund is registered for Qualified Investors only and in Singapore, the Fund is registered as a Restricted Scheme for institutional investors and relevant persons defined in the SFA.	
Contact us	
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Risk warnings
<ul style="list-style-type: none">• The market value of debt securities is affected by changes in prevailing interest rates and the Fund may be exposed to credit risk by investing in debt securities.• There are default and liquidity risks associated with investment in high yield securities and in below investment grade securities.• The ability to trade REITS in the secondary market can be more limited than other stocks.• Default risk and liquidity risk associated with investment in below investment grade securities.• This unit class is unhedged. Unhedged unit classes are exposed to greater risk and volatility. Please note the fund does have hedged unit classes available.• The market value of debt securities is affected by changes in prevailing interest rates and the Fund may be exposed to credit risk by investing in debt securities.• There are default and liquidity risks associated with investment in high yield securities and in below investment grade securities.• The ability to trade REITS in the secondary market can be more limited than other stocks.• Default risk and liquidity risk associated with investment in below investment grade securities.• This unit class is unhedged. Unhedged unit classes are exposed to greater risk and volatility. Please note the fund does have hedged unit classes available.
Performance note
<p>This document presents the performance of this particular unit class of the Fund from the date of inception of the unit class in its unit class currency, as specified on the front page. Performance since inception date of the Fund, which precedes the inception date of the unit class, is available upon request.</p> <p>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.</p> <p>For income unit classes, returns are measured on a total return basis i.e. net investment income plus capital gain or loss from investment.</p> <p>The performance data shown is net of fees and other charges but excludes any potential entry/exit charges – as such the returns an investor receives may be lower.</p>
Disclosure
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Information regarding the costs and charges associated with the Fund is provided in the MiFID II ex-ante disclosure. These documents are available on our website at PrincipalAM.com and you are advised to read them before investing so you can make an informed decision about whether to invest. Any person selling or advising you about the Fund may charge you additional costs and you should request information about those costs and charges from that person.</p> <p>This document is intended for information purposes only. It is not an offer or a solicitation to anyone to subscribe for units in the Fund. It should not be construed as investment advice. There is no guarantee that the investment objective of the Fund will be achieved. Commentary is based on current market conditions, there is no assurance that such events or projections will occur and actual conditions may be significantly different. 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Further, it is not possible to invest in an index.</p> <p>Information in this document has been derived from sources believed to be accurate as of the date of issuance and is derived from PGI or its affiliates unless otherwise noted. Information derived from sources other than PGI or its affiliates is believed to be reliable however we do not independently verify or guarantee its accuracy or validity. 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 (including by reason of negligence) for errors or omissions in this document. This material is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. 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The two methods of calculation of performance may not be identical.</p> <p>©2023 Principal®, Principal Financial Group®, Principal Asset Management, and Principal and the logomark design are registered trademarks and service marks of Principal Financial Services, Inc., a Principal Financial Group company, in various countries around the world and may be used only with the permission of Principal Financial Services, Inc.</p> <p>Principal Asset Management is a trade name of Principal Global Investors (EU) Limited and Principal Global Investors (Europe) Limited.</p>
Important information
<p>The Investment Objective as stated in this document is a summary, please refer to the supplement for full details of the Investment Objective and Policy of the Fund.</p> <p>Source & Copyright: CITYWIRE. Portfolio managers are + rated by Citywire for 3 year risk-adjusted performance for the period 31 March 2020 - 31 March 2023. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.</p>
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