

# Post Global Limited Term High Yield Fund - A2 Class Income Units

31 October 2021

## Investment advisor

Principal Global Investors, LLC ("PGI")

## Sub investment advisor

Post Advisory Group, LLC ("Post")

Post specialises in the management of high yield fixed income.

## Fund managers

**Jeffrey Stroll**

18 Yrs Industry Exp

**David D. Kim**

18 Yrs Industry Exp

**Schuyler Hewes**

23 Yrs Industry Exp

**Dan Ross**

23 Yrs Industry Exp

**Iris Shin**

17 Yrs Industry Exp

**James Wolf**

36 Yrs Industry Exp

## Investment objective

The Fund seeks to achieve its objective by investing primarily in a portfolio of short-term, lower volatility high yield debt securities with an average duration of approximately 12-24 months.

## Index

Bloomberg Barclays U.S. Government 1-2 Year Index\*

## Fund facts

Fund size	\$601.3m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin

## Unit class facts

Launch date	08 Feb 2021
Currency	USD
Minimum investment	US\$1,000
Management fee(s)	1.00% pa
Income distribution	Income
Distribution frequency:	

The shareclass launched less than 12 months ago, as such, there is currently insufficient past performance data to be displayed.

## Fund analysis

	Fund	Index
Average Credit Quality	BB-	AAA
Current Yield	4.6	1.1
Yield to Worst	3.3	0.3
Yield to Maturity	4.0	0.3
Effective Duration (Years)	2.2	1.5

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

- 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.

## Effective duration

	Fund	Difference
<1 Year	36.0	29.0
1-3 Years	25.1	-68.0
3-5 Years	34.4	34.4
5-7 Years	2.0	2.0
7-10 Years	0.0	0.0
>10 Years	0.0	0.0
Cash	2.6	2.6

## Credit quality (%)

	Fund	Difference
AAA	0.0	-100.0
BBB	4.3	4.3
BB	52.4	52.4
B	37.0	37.0
CCC	1.2	1.2
Not Rated	2.5	2.5
Cash	2.6	2.6

## Industry allocation (%)

	Fund	Difference
TECHNOLOGY	12.9	12.9
FINANCE COMPANIES	10.6	10.6
HEALTHCARE	8.7	8.7
GAMING	7.5	7.5
FINANCIAL OTHER	5.1	5.1
FOOD AND BEVERAGE	4.9	4.9
AUTOMOTIVE	4.8	4.8
CABLE SATELLITE	4.3	4.3
P&C	3.9	3.9
PACKAGING	3.5	3.5
WIRELESS	3.3	3.3
MIDSTREAM	3.1	3.1
BROKERAGE ASSETMANAGERS EXCHANGES	2.7	2.7
AEROSPACE DEFENSE	2.6	2.6
ENVIRONMENTAL	2.5	2.5
METALS AND MINING	2.2	2.2
RESTAURANTS	2.1	2.1
CONSUMER CYCLICAL SERVICES	1.8	1.8
ELECTRIC	1.5	1.5
AIRLINES	1.5	1.5
OTHER REITS	1.4	1.4
WIRELINES	1.2	1.2
PHARMACEUTICALS	1.2	1.2
SUPERMARKETS	1.1	1.1
RETAILERS	0.9	0.9
LEISURE	0.7	0.7
CHEMICALS	0.5	0.5
INDEPENDENT	0.4	0.4
DIVERSIFIED MANUFACTURING	0.2	0.2
BUILDING MATERIALS	0.2	0.2
INDUSTRIAL OTHER	0.2	0.2
Other	0.0	-100.0
Cash	2.6	2.6

Source: Principal Global Investors and/or its affiliates and the Index. Characteristics source: State Street Bank.

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  
ISIN  
SEDOL  
Valoren  
WKN

PRTHYAU ID  
IE00BD5DHQ95  
BD5DHQ9  
44098234  
A2QNM0

Registration

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

For more information on the fund, please  
contact:  
  
Europe: Principal Global Investors (EU)  
Limited  
+49 69 5060 6787  
Edwinson.Petter@principal.com  
  
Principal Global Investors, LLC (Dubai)  
+97 143 46 4555  
Dungarpurwala.Tasneem@principal.com  
  
Principal Global Investors (Singapore)  
Limited  
+65 6307 7807  
Singh.Suresh@principal.com  
  
Principal Global Investors (Switzerland)  
GmbH  
+41 44 286 1000  
Bloch.Martin@principal.com  
Stengel.Nikolai@principal.com  
  
United Kingdom: Principal Global Investors  
(Europe) Limited  
+44 (0) 207 710 0220  
Investors-Europe@principal.com  
Glendon.Alan@principal.com  
  
Website  
www.principalglobal.com

Fund management commentary

Market Review

The short duration ICE 1-5 Year BB-B Cash Pay High Yield Constrained Index (the "Index") generated returns of +9 basis points (bps) in October and 4.24% for the year. The yield to worst on the Index increased from 3.21%at the end of September to 3.28% at the end of October, while the option-adjusted spread (OAS) declined from 283 bps to 275 bps driven by Treasury yields increasing. In October, the market began to more affirmatively price in a global monetary tightening cycle. The 2-year Treasury yield increased from 29 bps at the end of September to 49 bps, while the 10-year Treasury yield increased 5 bps to 1.56%. Interest rate futures are also pricing in an expectation of two hikes by the end of 2022, with the first hike coming by July. During the month, the high yield mutual fund base reported an inflow of \$1.4 billion, the fourth inflow over the last eleven months and third consecutive inflow. During the month, 50 bonds priced for \$30.2 billion, although only \$17.2 billion of this was new (non-refinancing) supply. Default activity remained modest in October, with one borrower defaulting on \$681 million in loans and one distressed exchange affecting \$356 million in loans and no high yield bond defaults.

Fund Review

The fund generated modestly negative returns in October.

Market Outlook

As we noted last month, we remain cautiously optimistic about the recovery in the global economy, and while the COVID-19 crisis remains a concern, the secondary effects of the pandemic seem to warrant the most consideration. Specifically, we are monitoring the impact of labor and cost pressures on our portfolios. Accordingly, as "good defense" is an important component of our strategy, we continue to avoid the more volatile subsectors, such as oil field services, and remain selective in our deployment of capital. We continue to focus on investing in high-quality businesses whose business models and balance sheets can withstand different kinds of volatility.

Risk warnings

- 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.
- 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

\*Index disclosure: The Fund is actively managed and aims to outperform the Bloomberg Barclays U.S. Government 1-2 Year Index\* (the "Index"). The portfolio manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the portfolio manager maintains full discretion to select investments for the Fund in line with the above investment policy.

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. 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. For income unit classes, returns are measured on a total return basis i.e. net investment income plus capital gain or loss from investment. 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.

Disclosure

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Important information

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.