

30 June 2023

Fund Details

ISIN	IE00BDOQ8V55
Domicile	Ireland
Currency	USD
Asset Class	Fixed Income
Modified Duration	3.7
Yield to Maturity	7.60%
Management Fee	0.50% p.a.
Ongoing Charge as of June 30, 2022	0.68% p.a.
AUM, as of June 30, 2022 (USD, mn)	3,870.15

Figure 1: Country allocation,

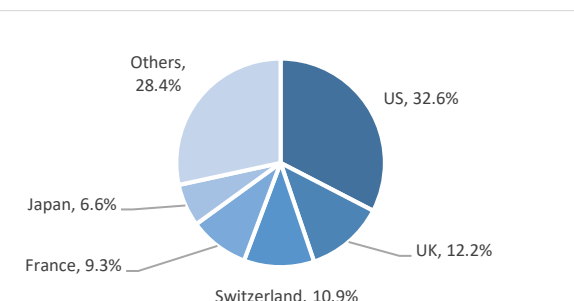
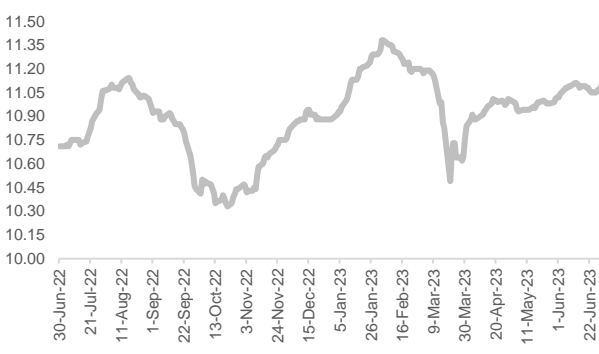


Figure 2: Fund's 1-year Performance (USD)



Source: Figure 1 – Fund's Factsheet (31 May 23), Figure 2 – Morningstar (30 June 23)

Fund Management

Principal Global Investors is a global asset management firm with USD412.7 billion of assets under management. It caters to a diverse client base across 80 countries in the world. The company operates as a multi-boutique platform and offers products in a number of specialized areas such as lifecycle funds.

Fund

Investment Objective: The PGIF – Preferred Securities Fund seeks to provide current income by investing primarily in a portfolio of US dollar-denominated preferred securities, with value added mainly through security selection.

Investment Process: Spectrum's investment process uses traditional financial and technical analysis within the context of broad industry and economic trends. Administered by Spectrum Asset Management Inc., an affiliate of Principal Global Investors, the Fund invests in both USD25 par retail-oriented preferred securities and USD1,000 par institutionally oriented capital securities.

Investment Parameters: The key investment parameters of the Fund are,

- Under normal circumstances, the Fund invests at least 80% of its net assets, plus any borrowing for investment purposes, in preferred securities at the time of purchase
- Preferred securities typically include preferred stock and various types of junior subordinated debt and trust preferred securities
- Preferred securities may pay fixed rate or adjustable rate distributions and generally have a payment preference over common stock, but are junior to the issuer's senior debt in a liquidation of the issuer's assets
- The Fund also invests in contingent convertible securities (Cocos), which are hybrid debt securities typically issued by non-US banking institutions that have contractual equity conversion or principal write-down features that are triggered by regulatory capital thresholds or regulatory actions calling into question the issuing banking institution's continued viability as a going-concern if the conversion trigger were not exercised
- Preferred securities purchased by the Fund are of companies with senior debt rated at the time of purchase BBB- or higher by S&P Global Ratings or Baa3 or higher by Moody's Investors Service, Inc. or, if unrated, of comparable quality in the opinion of those selecting such investments. If securities are rated differently by the rating agencies, the highest rating is used
- The Fund also invests up to 40% of its assets in below investment grade preferred securities and bonds (sometimes called high yield bonds or junk bonds) which are rated at the time of purchase Ba1 or lower by Moody's and BB+ or lower by S&P Global (if the bond has been rated by only one of those agencies, that rating will determine whether the bond is below investment grade; if the bond has not been rated by either of those agencies, those selecting such investments will determine whether the bond is of a quality comparable to those rated below investment grade)
- The Fund invests in other debt obligations, including (but not limited to) US Treasury securities and obligations of the US Government, its agencies and instrumentalities
- The Fund invests in foreign securities
- The Fund concentrates its investments (invests more than 25% of its net assets) in securities in the financial services (i.e., banking, insurance and commercial finance) industry
- No single issue will represent more than 5% of the portfolio
- Securities are initially screened for minimum size preference of USD250 million of issuance outstanding



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Sources: 1. Fund's Prospectus, Factsheet and RFP, 2. Fund's Website