Principal Islamic Asset Management (Ireland) (PLC)

Principal℠

Global Sukuk Fund - I Class Accumulation Units

31 October 2021

Investment manager

Principal Islamic Asset Management Sdn Bhd (Principal Islamic) is the Investment Manager of the Fund. Principal Islamic constitutes a partnership between Principal Financial Group and CIMB Group Holdings Berhad.

Fund managers

Mohd Fadzil Bin Mohamed
BSc (Hons), University of Aberystwyth, Wales, UK
24 Years Industry Experience
Elyzza Syazreen Zailan
BSc, University of Illinois, Urbana-Champaign, USA
12 Years Industry Experience

Investment objective

The Fund seeks to maximise total return over the medium to long term through a combination of capital growth and income by investing in global Sukuk. The Fund invests primarily in a diversified portfolio of Shariah-compliant fixed income securities. All investments made by the Fund will be compliant with the Shariah Investment Guidelines.

Index

Dow Jones Sukuk Price Return Index*

Fund facts

Fund size	$8.1m
Base currency	USD
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing	10am Dublin

Unit class facts

Launch date	07 Sep 2016
Currency	USD
Hedging	Portfolio
Minimum investment	US$1,000,000
Management fee(s)	0.70% pa
Income distribution	Accumulated

Fund grading

3 Star Overall Morningstar Rating™ as of 31 October 2021

★ ★ ★

Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	-0.34	-0.34	2.07	4.32	19.03	19.57	18.30
Index Cumulative	-0.47	-1.02	-1.88	-0.84	10.10	4.49	3.42
Fund Annualised Net	-0.34	-0.34	2.07	4.32	5.97	3.57	3.32
Index Annualised	-0.47	-1.02	-1.88	-0.84	3.26	0.86	0.65

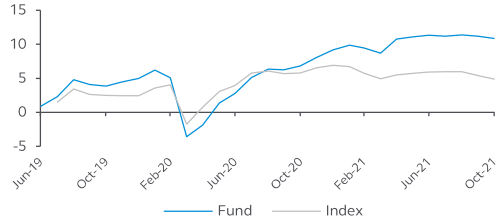
12-month rolling return (%)

Nov 16 - Oct 17	Nov 17 - Oct 18	Nov 18 - Oct 19	Nov 19 - Oct 20	Nov 20 - Oct 21
2.16	-1.67	10.28	3.47	4.32

Risk analysis

	3YR	5YR
Information Ratio	1.1	1.4
Alpha	2.0	2.8
Tracking Error	2.5	2.0
Standard Deviation	6.2	5.1
Beta	1.3	1.3

Cumulative performance since inception (%)



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
Average Coupon	3.7
Average Life	7.6
Yield to Worst	2.8
Yield to Maturity	3.2

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

- 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.

Top 10 holdings (%)

	Fund
DAE Sukuk DIFC	7.1
DP World Crescent Ltd	6.6
DIB Tier 1 Sukuk 4 Ltd	6.4
NCB Tier 1 Sukuk Ltd	6.2
MAF Sukuk Ltd	3.5
Tabreed Sukuk Spc Ltd	3.5
Saudi Telecom Co	3.5
DIFC Sukuk Ltd	3.3
MAF Sukuk Ltd	3.3
Arabian Centres Sukuk II Ltd	3.2
Total	**46.6**
No. of holdings	26

Credit quality (%)

	Fund
AAA	8.3
AA	-
A	15.9
BBB	44.8
BB	5.9
B	3.2
Not Rated	21.9

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.

Geographic allocation (%)

	Fund
United Arab Emirates	44.8
Saudi Arabia	22.2
Qatar	9.4
Cash Equivalent	8.3
Malaysia	3.2
Turkey	3.2
Indonesia	3.2
Kuwait	3.1
Oman	2.7

Sector allocation (%)

	Fund
Financial Services	37.5
Real Estate	18.7
Transportation & Logistics	16.5
Sovereigns	9.0
Cash Equivalents	8.3
Utilities	3.5
Telecommunications	3.5
Energy	3.1

In alliance with CIMB

Source: Principal Global Investors and/or its affiliates and the Index.
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

ISIN	IE00BZBXG935
Lipper	68388860
SEDOL	BZBXG93
Valoren	33905734

Registration

Ireland, Singapore, Switzerland, UAE and UK

Not all unit classes are registered in the listed countries, please contact your sales representative for more details. In Singapore, the Fund is registered as a Restricted Scheme for institutional investors and relevant persons defined in the SFA.

Fund overview

The Fund seeks to maximize total return over the medium to long term through a combination of capital growth and income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of Shariah-compliant fixed income securities (Sukuk) issued by government, government-related entities such as their local authorities and public authorities, corporate or supranational entities located globally.

Organisation

Principal Islamic acts as a global partner to institutional global investors, providing a range of Islamic investment portfolios to suit differing needs. We offer separately managed portfolios for institutions and collective investments. The joint venture between Principal Islamic and Principal Financial Group allows Principal Islamic to leverage on the strong global Islamic credentials of Principal Islamic while Principal Global Investors (the asset management arm of Principal Financial Group) lends its expertise in global asset management. Headquartered in Kuala Lumpur, Malaysia, Principal Islamic is strategically located in the world's first country with a complete Islamic financial system operating in parallel to the conventional banking system. This allows the firm to leverage on Malaysia's comprehensive Islamic financial infrastructure and its adopted global regulatory, legal and Shariah best practices.

Risk warnings

- Sukuk Investment Risk – Like for other fixed income securities, price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors.
- 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.
- The potential for profit is accompanied by the possibility of loss.
- There are specific risks associated with the use of derivative instruments, including counterparty, position, liquidity, settlement, correlation and legal risk.
- Contingent convertible securities risk is due by the substantially greater risk that these instruments may have compared to other forms of securities in times of credit stress and may result in a material loss to the Fund.
- Mortgage and Asset-Backed Securities carry greater risk compared to other securities in times of market stress such as early payment and/or extension of the life of the underlying assets.
- Liquidity risk: The risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

Performance note

Index Disclosure: The Fund is actively managed and aims to outperform the Dow Jones Sukuk Price Return Index (the "Index"). The portfolio manager may reference the Index as part of the investment management process and the majority of the Fund's investments will be in securities that are components of the Index. However, the portfolio manager maintains full discretion to select investments for the Fund in line with the above investment policy and with prior approval from the Shariah Advisor. 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.
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.
Outperforming the Dow Jones Sukuk Price Return 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 not indicative of future performance. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding.

Disclosure

Principal Islamic is the Investment Manager and coordinator of Funds distribution for Principal Islamic Asset Management (Ireland) PLC, and is a partnership between Principal Financial Group and CIMB Group Holdings Berhad.
Principal Islamic may not forward this document to retail clients. If you are viewing the material as a retail investor, you should seek independent investment advice before deciding whether the Fund in question is suitable to meet your investment needs and objectives as the language included has not been complied to a retail client standard. Full details of the risks of investing in the Fund are contained in the KIID and Prospectus. This is available at www.principalislamic.com.

Investors are also advised to read and understand the contents of the prospectus before investing and consider the fees and charges involved.

Principal Islamic is not authorised by the Financial Conduct Authority to directly deal with retail investors; any distribution of the Fund to retail investors in Europe is facilitated by Fund distributors with which Principal Islamic has entered distribution agreements, pursuant to advice provided to investors by those distributors, based on the documents Principal Islamic provides.
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The information in this document has been derived from sources believed to be accurate as of October 2021.

In Switzerland, this document is a marketing document and is issued by Principal Global Investors (Switzerland) GmbH which is authorised by the Swiss Financial Market Supervisory Authority ("FINMA"). The name of the Swiss representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. The name of the Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Ile, 1204 Geneva. Investors can obtain free of charge the prospectus, trust deed, the prospectus, the key investor information document (KIID), and the annual and semi-annual reports from the representative in Switzerland. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares.

In Singapore: The Fund is a restricted scheme in Singapore, it is not authorised or recognised by the MAS and the units in the Fund are not allowed to be offered to the retail public. The Fund is available only to: 1) Institutional Investors under Section 304 of the Securities and Futures Act ("SFA"); and 2) persons within the meaning of "relevant persons" defined in Section 305 of the SFA and in accordance with the conditions of, any other applicable provisions of the SFA. Mandatory Disclosure for the DIFC: Module 4.6.5.(d) - The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this financial product. It has not approved this document or any other associated documents nor taken any steps to verify the information set out therein. The document is intended for sophisticated institutional and professional investors only in the DIFC and is delivered in on an individual basis to the recipient only and should not be passed on or otherwise distributed to any other person or organization.

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. Overall Morningstar Rating™ as of October 2021. 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.

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