

Principal Global Investors Funds

Islamic Global Multi-Asset Fund

I Class April 2026

Market Review

Our leading regime index remained trending upward pointing towards an improving manufacturing outlook in Apr'26 whereas global PMI indicators softened slightly with Euro area showing the sharpest deterioration. Global inflation rose in Mar'26 on higher energy prices with market-implied inflation expectations proxied by US breakeven remaining well anchored. Monetary policy expectations swung along with the geopolitical headlines and still remained at the hawkish ends. Apr'26 was a busy month occupied by global central banks' meetings with US Fed, BOE, ECB and BOJ holding policy rates unchanged but turned more neutral / hawkish in the accompanying press conference. Global financial conditions eased on tighter spreads and improving equity momentum.

Global equities were sharply higher in Apr'26 on ceasefire and diplomatic signals and returning AI optimism narrative. The rally was led by the tech and AI linked stocks with semis posting a record 18-day streak of gains this month. Led by the large cap tech companies, Nasdaq 100 index had its best month since Apr'20 outperforming Europe and Japan. Emerging markets outperformed the developed markets on the rebound of Korea and Taiwan while China and Latam lagged behind. MSCI ACWI ISLAMIC INDEX NTR (USD) and DOW JONES SUKUK TR EX REINVEST (USD) gained +11.28% and +1.39% respectively in Apr'26. While tech related equities mostly shrugged off the war and geopolitics, other asset classes were more reflective of the risks of a prolonged interruption of the Strait of Hormuz. Global yield curve shifted higher with UST 10yr yield rising +5bps to 4.37%. Sukuk's credit spreads compressed. US dollar weakened against other currencies while precious metals remained under pressure. Crude oil gained further in Apr'26 trading above \$100/brl.

Fund Review and Portfolio Strategy

The Fund returned (gross) +6.50% outperforming the risk reference index Apr'26 on the equity overweight and outperformance of the sukuk sleeve while underperformance of equity sleeve and gold allocation dragged.

Macroeconomic data and corporate earnings released in Apr'26 reflected the resilient macro backdrop in US though heightened geopolitical risks and higher energy prices add uncertainty to the global economy. On easy fiscal policy, rising corporate capex and solid corporate and household balance sheet, we continue to believe US equity has a structural advantage over other developed markets. We have a positive view over Japan in the near term on further expansionary fiscal policies under Takaichi's administration. On the other hand, European equities lag clear catalysts for sustained earning delivery, fragile political situation and lingering budget concerns might complicate the growth picture. While a big tailwind to the rally was attributable to the positioning rebuilding by systematic / CTAs, we remain risk-on as there is room for further positioning rebuilding. We will be nimble in the positioning upon geopolitical developments, unfolding policies of the US administration & global central banks and development in inflation & growth dynamics.

Equities

The portfolio posted a positive gross return of 8.81% in the month of April but underperformed its respective index. From a sector perspective, energy and health care were places of strength which were offset by weakness in IT and consumer discretionary. Switzerland and the Netherlands were top contributors from a country perspective while the United States and Canada lagged overall.

Sukuk

The Global Sukuk market managed to recover from the sell-off due to the Iranian/US war in the month of March to register return of +1.39%, bringing the YTD performance back into the positive territory or +0.23%. Much of the outperformance was driven by spread movements as it recompressed from the March widening. For the month of April,

we kept the portfolio largely unchanged given that spreads have widened significantly and as such the portfolio managed to outperform the benchmark.

Risk Considerations

Investing involves risk, including possible loss of principal. Past Performance does not guarantee future return. All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

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