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Principal Asset Management℠

Principal Global High Yield

30 September 2026

Strategy description

The strategy that is primarily invested in U.S. and European domiciled companies and is focused on income and capital appreciation derived primarily from security selection.

Strategy facts

Manager: Principal Fixed Income
Inception: 1 January 2010
Index: Global High Yield Blended Index
Available vehicles[1]: IMA, U.S. Mutual Fund
Targeted number of issuers[2]: 150-225
Expected turnover[2]: 30-50%

Key differentiators

- **Incorporation of proprietary data science tools and Environmental, Social, and Corporate Governance (ESG) metrics** helps challenge biases and seeks to avoid unintended risk.
- **Well-defined exit strategies to help minimize risk;** dynamic risk limits allow flexibility to adjust risk tolerance as market volatility and our macro risk perspective changes.
- **Seeks to achieve long-term outperformance** and drawdown mitigation.

Portfolio management

Mark Denkinger, CFA
36 years' experience

Darrin Smith, CFA
35 years' experience

Joshua Rank, CFA
26 years' experience

Investment philosophy

We believe attractive returns are best achieved for our clients through the integration of rigorous fundamental research, a global perspective, and disciplined risk management.

Composite performance (%)

	3M	YTD	1YR	3YR	5YR	10YR	Performance Start (1 January 2010)
Principal Global High Yield (gross)	-1.51	0.71	1.58	7.89	4.02	5.38	6.83
Principal Global High Yield (net)	-1.63	0.34	1.07	7.35	3.50	4.88	6.22
Global High Yield Blended Index	-1.71	0.73	2.01	8.40	3.56	4.94	6.17

Calendar year returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Principal Global High Yield (gross)	15.27	8.65	-3.55	15.44	6.46	5.37	-9.55	14.24	8.42	7.30
Principal Global High Yield (net)	14.58	8.10	-3.96	14.98	6.03	4.86	-10.00	13.68	7.88	6.77
Global High Yield Blended Index	16.22	7.99	-1.89	14.54	6.61	3.04	-11.39	12.97	9.26	8.49

Source: Principal Global Investors.
As of September 2026. Investing involves risk, including possible loss of principal. Periods over one year are annualized. Please see disclosures for additional information on performance.

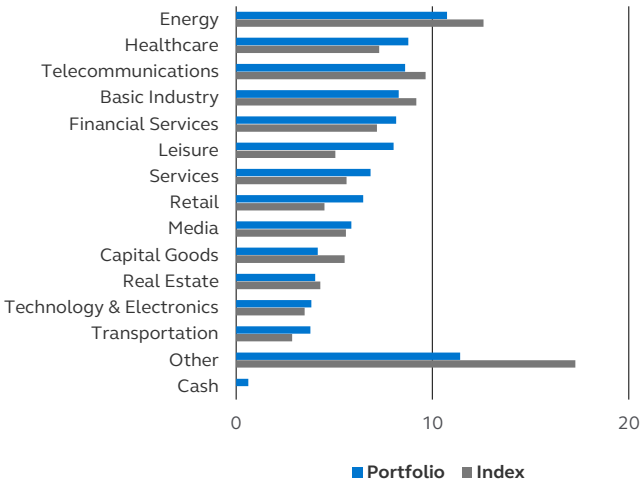
[1]Not all vehicles are available to investors in all jurisdictions.

[2]Investment guidelines are subject to change.

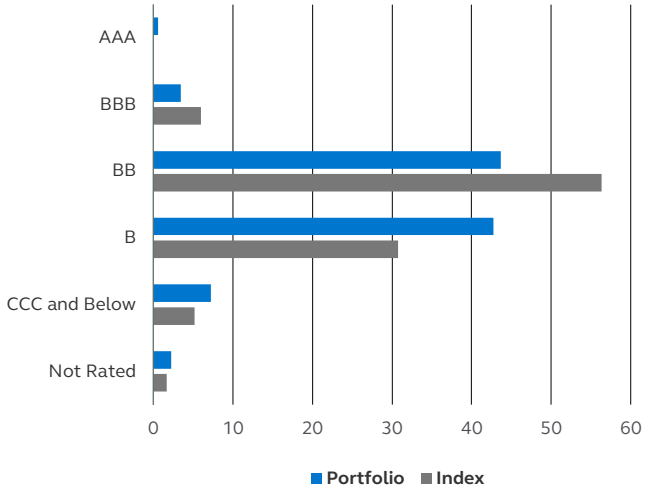
Representative portfolio top 10 issues (%)[3]

		Location	Sector	Portfolio
1	Tenet Healthcare Corp	United States	Consumer Non Cyclical	0.8
2	1261229 Bc Ltd	Canada	Consumer Non Cyclical	0.8
3	Energy Transfer Lp	United States	Energy	0.7
4	Techem Verwaltungsgesellschaft 675 Mbh	Germany	Industrial Other	0.7
5	Opal Bidco Sas	France	Consumer Non Cyclical	0.7
6	Fertitta Entertainment Llc / Fertitta Entertainm	United States	Consumer Cyclical	0.7
7	Sani/Ikos Financial Holdings 1 Sarl	Luxembourg	Consumer Cyclical	0.7
8	Smyrna Ready Mix Concrete Llc	United States	Capital Goods	0.7
9	Global Aircraft Leasing Co Ltd	Cayman Islands	Finance Companies	0.7
10	Barclays Plc	United Kingdom	Banking	0.6

Representative portfolio sector allocation (%)[3]



Representative portfolio quality allocation (%)[3]



Representative portfolio characteristics[3,4]

	Portfolio	Index
Yield to worst	7.8%	7.9%
Average credit quality[5]	BB-	BB-
Average coupon	6.7%	6.6%

Composite risk statistics (gross)[6]

	3YR	5YR
Sharpe ratio	0.75	0.02
Standard deviation	4.23	6.70
Information ratio	-0.83	0.41
Tracking error	0.62	1.11

[3] Source: 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.

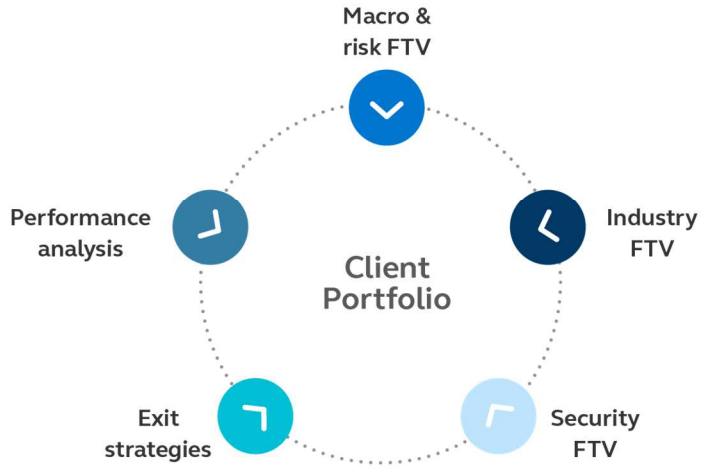
[4] Yields and yield related characteristics shown are only one component of performance or expected performance and are not and should not be viewed as a statement of the current or future performance of the strategy. See the gross and net performance of the strategy.

[5] Credit quality shows the credit ratings for the fixed income securities in the fund as rated for credit risk by S&P's and/or Moody's and typically range from AAA/Aaa (highest) to C/D (lowest). If the agencies assign different ratings, the highest of the two is used. The NR category consists of rateable securities that have not been rated by either.

[6] Source: Principal Global Investors.

Investment process overview

A dynamic, time-tested, and consistent process combining macro perspective with fundamental research and analysis.



Fundamentals, Technicals, Valuations (FTV) framework instills a consistent research approach to identifying best risk/return opportunities

Independent forward-looking ratings on all invested issuers

Well-defined exit strategies help minimize capital losses

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal. Fixed Income investments are subject to interest rate risk; when interest rates rise, the price of debt typically declines. Lower-rated securities are subject to additional credit and default risks. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. There can be no assurance that the strategy's objectives of downside risk reduction/protection will be achieved.
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All figures shown in this document are in U.S. dollars unless otherwise noted.
Indices are unmanaged and do not take into account fees, expenses and transaction costs are not available for direct investment.
The ICE BofA Global High Yield Hedged to USD Index is the hedged version of the ICE BofA Global High Yield Index. The index tracks the performance of USD, CAD, GBP, and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond market. Qualifying securities must have a below investment grade rating (based on the average of Moody's, S&P, and Fitch). In addition, qualifying securities must have an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings), at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of USD 100 million, EUR 100 million, GBP 50 million, or CAF 100 million. In reports issued prior to 1 January 2015 the ICE BofA Global High Yield Index was used for comparison purposes. The benchmark was changed to be more representative of the composite strategy. Information regarding the comparison to the ICE BOFA Global High Yield Hedged to USD Index is available upon request.

**Prior to 1 January 2015 the benchmark used for comparison purposes for the Global High Yield strategy is the BofAML Global High Yield Index. On 1 January 2015 the strategy benchmark was changed to the ICE BofAML Global High Yield USD Hedged Index.

Composite performance results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce portfolio performance. Net performance results reflect a reduction for investment advisory fees based on the firm's applicable asset management fee schedule. Effective March 2021, composite net performance is calculated using the highest applicable fee as shown in the composite fee schedule. Prior to March 2021, composite net returns were derived based the aggregation of underlying portfolios net returns that were either calculated by applying actual client fees for non-affiliated clients or a model tiered fee schedule for affiliated clients, unless otherwise noted. Composite net returns after January 1, 2011, are inclusive of performance-based fees (where applicable). Performance-based fees are accounted for on a cash basis. Prior to January 2003 certain commingled funds which returns may be utilized in a Composite's performance track record had net returns that reflected a deduction for administrative fees in addition to direct trading expenses and investment management fees. Therefore, the average fees will be higher during these time periods.

Each portfolio included in the composite is managed according to its own individual investment restrictions and limitations and therefore their characteristics may vary from those of the Representative Portfolio shown. Portfolio performance, characteristics and volatility may differ from the benchmark shown. Holdings and weightings are subject to change daily.

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