

Global Sustainable Listed Infrastructure Fund

A unique opportunity for investors to allocate capital at the intersection of social, environmental, and economic progress.

Why include listed infrastructure in your portfolio?

Thematic asset class appeal

Long-term secular themes, such as decarbonization, demographic changes, and digitalization, are driving opportunity and demand for infrastructure investment globally.

Opportunity for compelling risk-adjusted returns

Listed infrastructure companies are essential service providers that offer highly visible, regulated or contracted cash flows and are well-positioned to deliver on the promise of defensive growth. An investment in listed infrastructure has the potential to deliver higher returns at lower volatility relative to global equities.

Income potential

Listed infrastructure investors have historically enjoyed durable growing income, plus they can benefit from the capital appreciation that can come from real asset ownership. In addition, listed infrastructure has generally produced an attractive yield compared to global equities.

Opportunity for resilient returns through periods of higher inflation¹

Infrastructure businesses operate under contracted or regulated revenue schemes with explicit links to inflation. The cash flows of listed infrastructure companies have the potential to remain resilient during periods of higher inflation, providing diversification relative to global equity sectors that may find profit margins more challenged.

Complementary to private infrastructure allocations

Long-term returns from private and listed infrastructure have been comparable. Investors in listed infrastructure benefit from immediate exposure to infrastructure with limited initial capital requirements. Listed infrastructure can also provide multiple layers of diversification in a single portfolio with a potentially greater opportunity to exploit mispricings related to political or regulatory changes.

Inherent alignment with clients' sustainability objectives

The companies in which we invest directly contribute to at least 6 of the United Nations' Sustainable Development Goals and the 2030 Agenda for Sustainable Development highlights infrastructure for its role in addressing inequality and ending poverty.

Principal Global Sustainable Listed Infrastructure Fund exhibits strong alignment with the following SDGs:



¹As of 31 December 2023. Source: FactSet. On average, listed infrastructure returned 9.8%, outperforming global equities which performed 1.9% when Eurozone inflation was above average from 1995-2023. Inflation represented by the yoy change in Eurozone - Harmonized CPI ex energy & unprocessed food. Listed infrastructure is represented by a 50/50 blend of MSCI ACWI Utilities Index and the Alerian MLP Index from 12/31/1995 through 3/31/2006 and the FTSE Global Core Infrastructure 50/50 Index thereafter. The FTSE index launched in March 2015 and performance data provided prior to this date represents hypothetical back tested results. Please refer to the accompanying notes to performance for additional disclosures and important information. Global Equity is represented by MSCI All Country World Index. Past performance does not guarantee future results. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

For the past 20 years, listed infrastructure has offered higher returns with lower volatility than other major global equity categories:

Category	Annualized return (%)	Standard deviation (%)
Listed Infrastructure	8.83	13.11
Global Equities	8.10	15.63
Global Developed Market Equities	8.36	15.43
Global Emerging Market Equities	7.20	20.76

As of 31 December 2023. Source: FactSet. Global equities is represented by MSCI All Country World Index. Global developed market equities is represented by MSCI World Index. Global emerging market equities is represented by MSCI EM Index. Global listed infrastructure is represented by a 50/50 blend of MSCI ACWI Utilities Index and the Alerian MLP Index through March 2015, and the FTSE Global Core Infrastructure 50/50 Index thereafter. The FTSE index launched in March 2015. Please refer to the accompanying notes to performance for additional disclosures and important information. Past performance is not indicative of future results. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

Investing with Principal Listed Infrastructure

Dedicated, sector specialist investment team

Our team has complementary experiences investing in infrastructure, analyzing ESG and Sustainability, and benefits from a commitment from Principal to scale the capability. Executive oversight is provided by CEO of Listed Real Assets, Kelly Rush, who leads a top-5 largest manager of REIT securities² and brings a depth of experience investing in publicly traded real asset securities since 1997.

A thoughtful and differentiated approach to ESG

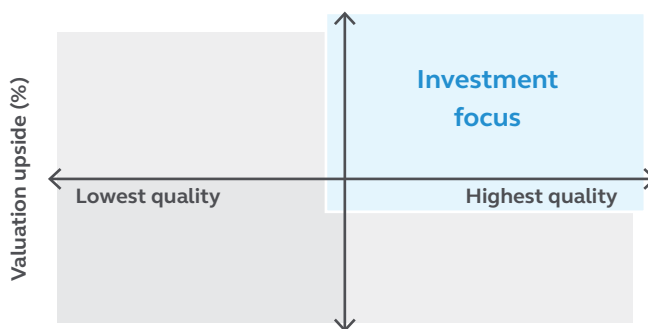
Our investment process fully integrates ESG and Sustainability considerations and is designed to enhance risk-adjusted return potential. Our credible investment team members bring direct ESG and sustainability experience to their roles. Our approach builds on the long-standing commitment by Principal Real Estate to integrate the consideration of ESG factors into investment processes. Our team also models a commitment to diversity and inclusion. We employ proprietary ESG ratings and SDG alignment frameworks that recognize potential trade-offs across E, S, and economic factors. We also adopt targeted engagement and proxy voting policies, and emphasize scope for real-world progress in determining which stocks end up in the portfolio.

Defensive portfolio construction

We seek to construct portfolios that provide diversified sector and geographic exposure. We adopt explicit active weight guidelines, actively limit factor and style biases, and have an equal weight bias in sizing of active positions. We pursue excess returns primarily from stock selection, with a focus on delivering a strong information ratio over time.

Clear security selection framework

Our standardized valuation and quality frameworks and robust data management efforts facilitate security selection decisions that are consistent and repeatable. We focus on companies of above-average quality trading at compelling relative valuations.



INVESTMENT STRATEGY:

Seek to provide a total return that exceeds its benchmark by investing in infrastructure companies that contribute to the United Nations Sustainable Development Goals (SDGs). Infrastructure includes, but is not limited to, utilities (electric, gas, water), transportation infrastructure (airports, highways, railways, marine ports), energy infrastructure and communications infrastructure.

“ We focus on identifying listed infrastructure companies that we believe are offering the most compelling combination of quality and value at any given point in time. This helps to ensure capital is allocated to those infrastructure businesses whose sustainability credentials aren’t yet reflected in market valuations, but which play a critical role in contributing to the world’s most important social and environmental objectives. ”



Emily Foshag, CFA
Portfolio Manager

² Managers ranked by total worldwide real estate assets (net of leverage, including contributions committed or received, but not yet invested; REOCs are included with equity; REIT securities are excluded), as of 30 June 2023. “The Largest Real Estate Investment Managers,” Pensions & Investments, 9 October 2023.

Points to consider

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. Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility. Infrastructure companies may be subject to a variety of factors that may adversely affect their business, including high interest costs, high leverage, regulation costs, economic slowdown, surplus capacity, increased competition, lack of fuel availability, and energy conservation policies.

Important information

Unless otherwise noted, the information in this document has been derived from sources believed to be accurate as of January 2024. This material covers general information only and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, a recommendation, or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. The opinions and predictions expressed are subject to change without prior notice. The information presented has been derived from sources believed to be accurate; however, we do not independently verify or guarantee its accuracy or validity. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security, nor an indication that the investment manager or its affiliates has recommended a specific security for any client account. Subject to any contrary provisions of applicable law, the investment manager and its affiliates, and their officers, directors, employees, agents, disclaim any express or implied warranty of reliability or accuracy and any responsibility arising in any way (including by reason of negligence) for errors or omissions in the information or data provided.

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Integration of sustainability considerations and/or environmental, social and governance (ESG) factors is qualitative and subjective by nature. There is no guarantee that the criteria used, or judgment exercised, will reflect the beliefs or values of any particular investor. Investment teams have a high degree of investment process autonomy and may consider or weight sustainability and/or ESG criteria or factors differently (or not at all). For those teams that consider sustainability and/or ESG factors as part of the investment process in strategies that are not explicitly sustainability and/or ESG-oriented, those sustainability considerations and/or ESG factors are generally no more significant than other factors in the investment selection process, such that sustainability considerations and/or ESG factors may not be determinative in deciding to include or exclude any particular investment in the portfolio. Information regarding responsible practices or other sustainability metrics, including ESG data, differs by source and may not be accurate or complete. Integration of sustainability considerations and/or ESG factors may present additional advantages or risks, may not protect against market risk or volatility, and under certain circumstances may detract from investment performance. You should not make any investment assumptions based solely on the information contained herein. Information is provided as additional insight into the relevant investment processes and should not be viewed as a change in an investment team's underlying investment objectives, strategies, risk parameters, or portfolio construction guidelines. There is no assurance that any strategy or integration of sustainability considerations and/or ESG factors will be successful or profitable.

This fund has been categorised as meeting the characteristics set out in Article 9 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR") for products that have a sustainable investment objective. Please refer to the required pre-contract disclosures contained in the relevant prospectus or offering memorandum (as applicable) or on our website. More information can be found at www.principalam.com/about-us/esg.

The FTSE Global Core Infrastructure 50/50 Index includes the listed stocks of companies that meet FTSE Russell's definition of core infrastructure. To be included in the index, companies must derive a minimum of 65% of their revenue from FTSE Russell-defined core infrastructure activities. The index launched in March 2015 and performance data provided prior to this date represents hypothetical back tested results. Model, back tested or simulated performance presented for the index are for illustrative purposes and are provided solely for conceptual discussion. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index

inception date is back-tested performance. Back-tested performance is not actual performance but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index. Index methodologies are available on the FTSE Russell website.

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