



Principal Capital Securities Fund

Global Subordinated Financials

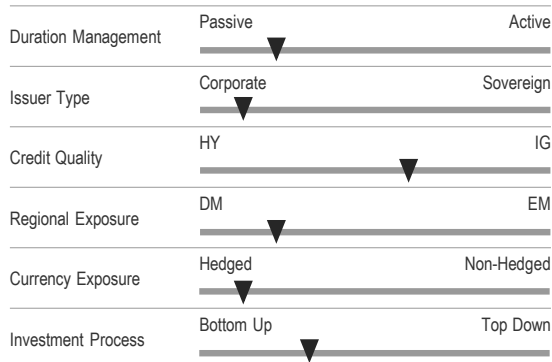
Portfolio Strategy

The Principal Capital Securities Fund seeks to generate stable income while preserving investor capital over a medium to long-term horizon. It invests predominantly in North American corporate hybrid securities and targets a benchmark of Bloomberg Euro Agg Bond TR EUR. The fund follows a fully active management approach to outperform its benchmark while remaining within the UCITS regulatory framework.

Key Features

Asset Manager	Principal Global Investors (Ireland) Ltd
Net Assets Value	30 (Mio US Dollar)
Inception Date	13/03/2024
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	Euro Acc
Management Fees* (%)	0.50%
Performance Fees	No
CH Registered	Yes
Yield to Maturity	5.5
Modified Duration	4.1
Average Credit Quality	BBB

Portfolio Style



Investment Rationale

The North American Corporate Hybrid Income Fund offers a niche focus on corporate hybrid debt, distinguishing itself with a blend of equity-like features and bond characteristics. It targets moderately conservative investors seeking income, making it suitable as a core income-generating allocation. Key advantages include disciplined credit analysis, strong sector exposure, and an active management approach, enhancing resilience and performance within the fixed income landscape.

Investment Philosophy

- The fund focuses exclusively on North American corporate hybrid debt instruments, ensuring a high average credit quality.
- Research emphasizes both quantitative assessments and qualitative insights into issuer fundamentals, supported by a collaborative team approach.
- Portfolio construction aims to balance approximately 20 to 25 core holdings with a higher concentration in the top 10 securities.
- Risk management employs monitoring of credit exposure and market conditions, with active adjustments to duration and liquidity positions.

Fund Management Team

The North American Corporate Hybrid Income Fund is managed by an experienced lead portfolio manager supported by a dedicated team of credit analysts. Investment decisions are made collaboratively, combining rigorous credit analysis with macroeconomic insights. The manager has a proven track record in income-oriented credit strategies, while the team's expertise ensures thorough monitoring of issuer fundamentals and risks, promoting a disciplined approach to portfolio construction and performance management.

Strengths

The Principal Capital Securities Fund benefits from a specialized focus on corporate hybrid debt, which offers enhanced yield opportunities not typically accessible to traditional fixed income products. This strategic niche allows the fund to capitalize on broader yield spreads and participate in instruments like contingent convertible securities. Managed within a robust UCITS framework, the fund leverages the extensive resources of Principal Global Investors and a dedicated team of credit analysts. This collaboration ensures rigorous credit assessments and effective risk management, enhancing the potential for superior performance. The fund's disciplined cost structure further supports net returns, positioning it competitively in the marketplace while maintaining a high standard of operational professionalism. Overall, its unique strategy and expert management contribute to a compelling value proposition for investors seeking enhanced income within a controlled risk framework.

Weaknesses

Key sell triggers for the fund include significant team turnover, an AUM exceeding optimal levels, or changes in ownership or management. Additionally, style drift or persistent structural underperformance could prompt reevaluation, ensuring alignment with investment objectives and risk parameters.

	1M	YTD	2025	2024	2023	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	0.89	0.80	5.15							
Index	1.06	0.88	1.25	2.63	7.19	3.08	-1.46	0.04	4.25	-3.15

*ISIN Code: IE000D2U6QW4. ISIN used for performance: IE000D2U6QW4 Performance data source and Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Index: Bloomberg Euro Agg Bond TR EUR. Data as of: 31/05/2026