

G13

Principal GIF – Finisterre Unconstrained Emerging Markets Fixed Income Fund



EM diversified bonds covering government and corporate issues, as well as hard currency and local currency exposures. Active strategy with concentrated portfolio.

About the Fund

Data as of April 30th 2026

Principal Asset Management is the global investment management business for Principal Financial Group, a Nasdaq listed global financial services company established in 1879. Principal AM manages over US\$590bn of assets globally covering the full client spectrum and across asset classes and vehicles. Principal AM acquired Finisterre Capital in 2011 through its Principal Global Investors (Europe) business arm.

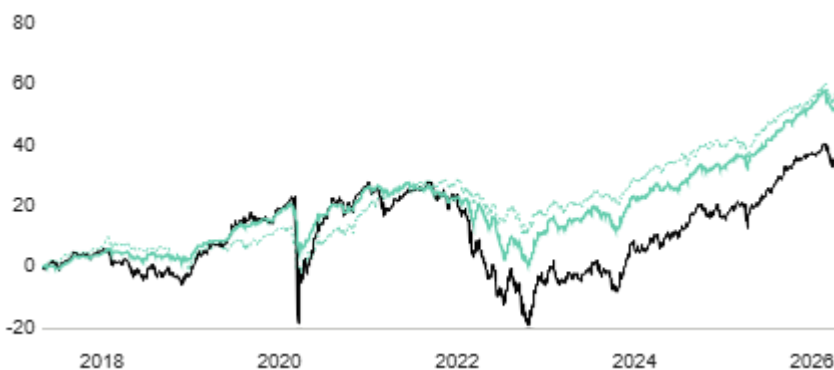
The **Principal GIF - Finisterre Unconstrained Emerging Markets Fixed Income Fund** is an actively managed bond strategy that aims to provide an "all-weather" unconstrained solution for emerging market debt exposure covering sovereigns and corporate credits, as well as hard currency and local currency exposures, with no credit rating and maturity constraints. The fund's objective is to capture most of the market upside, with much lower downside participation during major market events. Portfolio construction blends both technical (liquidity, volatility, yield in various market conditions) and fundamental (trends in spread, interest rates, currencies) considerations. The fund can invest in credit default swaps and synthetic shorts. The fund has a concentrated portfolio of >150 holdings.

Principal Global Investors - Finisterre Unconstrained Emerging Markets Fixed Inc

ISIN	IE00BD2ZKP80
Management Style	Actively managed
Asset Class	EM Bonds Flexible Currency
TER	0.89% p.a.
Distribution policy	Accumulating
Inception	2017-05-02
Share Class	USD
Max. recommended Portfolio share	20%

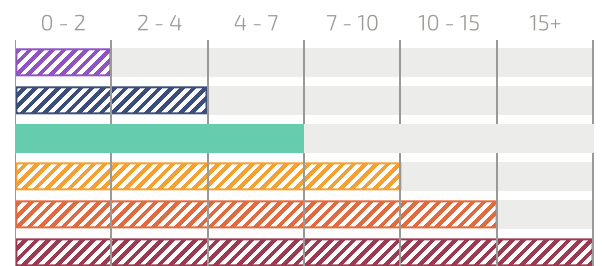
Performance

Price Performance – Maximum Period



The FairHorizon Context

Investment-Time-Horizon in years



Expected long-term return	2 - 4% p.a.
Expected volatility	3 - 5% p.a.

Building Block Returns

Principal GIF - Finisterre Unconstrained Emerging Markets Fixed Income Fund

Ann. return (3-year):	10.40%
Ann. return (5-year):	4.44%
Ann. return (10-year):	—
Ann. Standard Deviation (5-year):	8.32%

This fund provides an active approach to invest in the full spectrum of emerging market bonds covering both sovereigns and corporate credits, as well as hard currency and local currency exposures.

Benchmark Returns

iShares J.P. Morgan USD EM Bond UCITS ETF

Ann. return (3-year):	9.22%
Ann. return (5-year):	1.99%
Ann. return (10-year):	3.33%
Ann. Standard Deviation (5-year):	10.06%

[Link to the Funds FairSheet](#)

The iShares JPMorgan \$ EM Bond UCITS ETF tracks the JPMorgan EMBI Global (EMBIG) Core Index and can be used to represent Emerging Markets hard currency bonds exposure, returns and volatility.

FairHorizon Benchmark Returns

Dimensional Funds PLC - World Allocation 40/60 Fund

Ann. return (3-year):	9.82%
Ann. return (5-year):	4.98%
Ann. return (10-year):	—
Ann. Standard Deviation (5-year):	6.84%

[Link to the Funds FairSheet](#)

The Dimensional World Allocation 40/60 Fund is our FAIRHORIZON Green reference benchmark solution that has 40% global developed equities and 60% global investment grade short-to-medium maturity bonds for global moderate risk bonds-like returns and volatility.



Why we prefer this fund

Relevance of strategy

This fund provides an active approach to invest in the full spectrum of emerging market bonds covering both sovereigns and corporate credits, as well as hard currency and local currency exposures.

Manager expertise

The fund is managed by Finisterre Capital, a London-based boutique investment team founded in 2002 specialising in emerging market debt (EMD) solutions. Finisterre primarily ran hedge fund strategies and decided to adopt the core competencies to launch a long-biased EMD total return strategy in 2013 that has evolved to this fund. Damien Buchet, leads the Finisterre team as CIO since 2015. While under the Principal AM umbrella, his team retains full autonomy on the management of this fund.

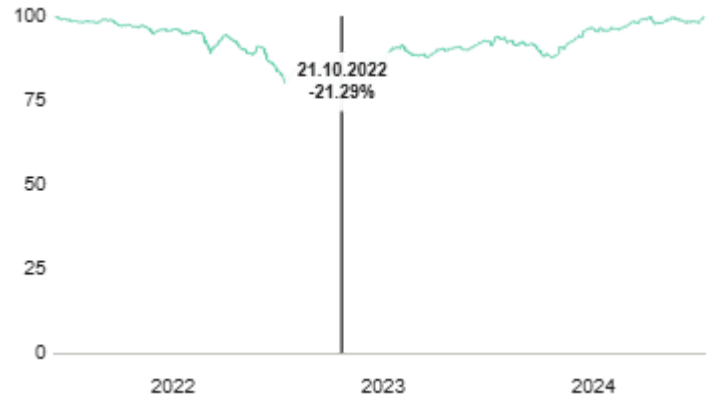
Differentiated portfolio

This is one of the few solutions available that covers the full spectrum of emerging market bonds. The hedge fund investment style as well as strong risk management and lower drawdowns are key features of the fund.

Performance

The fund has a proven track record of lower volatility/drawdowns during market stress and market beta-like returns during bullish markets on long term basis.

Historical maximum drawdown & recovery time



Max drawdown (since inception)	-21.29%
Recovery Period	630 Days

Diversification



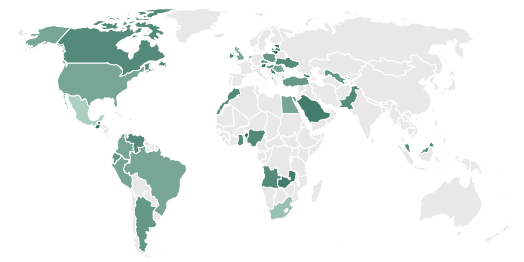
Credit Rating

Aa	1.59%
Baa	18.98%
Ba	22.70%
B	8.97%
Caa	5.00%
Others	42.76%



Sectors

Government-Related	35.03%
Corporate	33.09%
Treasury	27.01%
Cash	3.21%
Others	1.65%



Geography

Mexico	8.39%
South Africa	6.34%
Cayman Islands	5.44%
Luxembourg	5.38%
Netherlands	4.31%
Romania	4.23%
United Kingdom	3.86%
U.S.A.	3.58%
Egypt	3.46%
Peru	3.45%
Brazil	3.33%
Others	48.24%

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