

PFI INVESTMENT MANAGEMENT, LLC

PERFORMANCE MEASUREMENT – GLOBAL INVESTMENT PERFORMANCE STANDARDS

Appendix B – Annual Disclosure Presentations

PRINCIPAL FONDOS DE INVERSION, S.A. DE C.V. OPERADORA DE FONDOS DE INVERSION PRINCIPAL GRUPO FINANCIERO LONG TERM COMPOSITE ANNUAL DISCLOSURE PRESENTATION

| Year End | Total Firm Assets (Mexican Pesos) (millions) | Composite Assets (Mexican Pesos) (millions) | Number of Accounts | Annual Performance Results Composite | | Benchmark Index | Composite 3Yr St Dev | Benchmark 3 Yr St Dev |
|----------|--|---|--------------------|--------------------------------------|-------|-----------------|----------------------|-----------------------|
| | | | | Gross | Net | | | |
| 2016 | 24,087 | 366 | 1 | 0.83% | 0.81% | 0.66% | N.A.1 | N.A.1 |
| 2015 | 22,063 | 261 | 1 | 4.01% | 3.98% | 4.43% | N.A.1 | N.A.1 |
| 2014* | 17,621 | 163 | 1 | 1.65% | 1.63% | 1.44% | N.A.1 | N.A.1 |

* Performance shown for 2014 is from July 31, 2014 through December 31, 2014.

N.A.¹ – The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2014 through 2016 due to less than 36 months of composite and benchmark data.

The Long Term Composite: includes portfolios that invest in Long Term nominal rates and real rates. The minimum investment in debt instruments will be 70% issued by Federal Government or banks. The portfolios seek to invest its assets in domestic debt instruments issued by Federal Government and banks of high credit quality regarding three first rates, mainly in AAA.

For comparison purposes, the composite is compared to the **PiPG-Fix5A 75%**, **PiPG-Fix30A 15%** and **PiPG-Real5A 10%**. **PiPG-Fix5A** Index simulates a fund that invests all its assets in securities with nominal rate or fixed nominal coupon of the Mexican market that have a term to maturity between 1,093 and 1,820 days. **PiPG-Fix30A** Index simulates a fund that invests all its assets in securities with nominal rate or fixed nominal coupon of the Mexican market that have a term to maturity between 7,281 and 10,920 days. **PiPG-Real5A** Index includes all securities indexed to inflation and backed by the Federal Government including Udibonos, PIC's and CBIC's with a term to maturity between 1,093- 2,020 days. Those indexes are available on the website <https://www.piplatam.com>.

The Long Term Composite Creation Date was July, 2014. (The rebalancing of the benchmark is annual) The minimum account size for this composite is 130 million Mexican Pesos.

For the purpose of complying with GIPS, Principal Fondos de Inversión, S.A. de C.V. Operadora de Fondos de Inversión Principal Grupo Financiero defines itself as an independent operating division of Principal Financial Group with operations specific to Mexico.

“Principal Fondos de Inversión, S.A. de C.V. Operadora de Fondos de Inversión Principal Grupo Financiero claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Principal Fondos de Inversión, S.A. de C.V. Operadora de Fondos de Inversión Principal Grupo Financiero has been independently verified for the periods 1 January 2003 through 31 December 2016. The verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.”

A list of composites descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

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The Mexican Peso is the currency used to express performance. Returns are presented gross and net of actual management fees incurred in the management of the portfolios.

The composite does not have sufficient portfolios for any period to present a meaningful measure of dispersion.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The management fee schedule varies depending upon type and amount of assets managed. As an example, for individuals the fee schedule is 2.10% for assets less than 50 thousand Pesos, 1.00% for assets between 500 and 1 million Pesos and 0.80% for assets over 1 million Pesos. Actual investment advisory fees incurred by clients may vary.