

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 SHORT TERM FIXED INCOME 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 3Yr St Dev
				Gross	Net			
2016	24,087	1,780	1	4.44%	2.95%	4.08%	0.19%	0.19%
2015	22,063	1,273	1	3.44%	1.97%	3.12%	0.14%	0.14%
2014	17,621	1,050	1	3.74%	2.24%	3.18%	0.16%	0.16%
2013	10,058	1,218	1	4.27%	2.83%	3.98%	0.12%	0.19%
2012	9,482	1,255	1	4.78%	3.32%	2.86%	0.09%	0.11%
2011	7,442	1,058	1	4.76%	3.28%	2.66%	0.24%	0.21%
2010	7,378	1,251	1	4.93%	3.40%	2.95%	0.87%	0.38%
2009	6,060	1,526	1	5.77%	4.36%	3.54%	0.90%	0.38%
2008	5,390	1,156	2	6.07%	4.91%	4.87%	0.87%	0.28%
2007	3,219	582	1	7.85%	6.63%	5.58%	0.31%	0.30%
2006	2,029	631	1	7.89%	6.88%	5.55%	N.A1	N.A. 1
2005	1,593	564	1	10.03%	8.88%	7.65%	N.A1	N.A. 1
2004*	1,223	211	1	5.67%	4.71%	4.03%	N.A. 1	N.A. 1

* Performance shown for 2004 is from April 1, 2004 through December 31, 2004.

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 2004 through 2006 due to less than 36 months of composite and benchmark data.

The Short Term Fixed Income Composite includes portfolios that invest in short term fixed income securities, primarily in Government securities and banking notes of Mexico. The portfolios at all times seek to achieve a return commensurate to short term rates of the Mexican market

For comparison purposes, the composite is compared to the PiPCetes-28d 65% and PiPCetes-70-90d 35% Index. PiPCetes-28d Index invest all its assets in one security Cetes 28 days (27 or 29 when there are non-business days). PiPCetes-70-90d Index it's a portfolio that is composed of CETES securities which term is between 70 and 91 days to maturity for the start date. Both Indexes are available in the website; <https://www.piplatam.com>.

Old Benchmark changed since January 2013 in order to be more representative than older one. Instead of using ISICP (Índice de Sociedades de Inversión de Corto Plazo) it was chosen PiPCetes-28d 65% and PiPCetes-70-90d 35% which investment Objective is more appropriate and representative to the investment strategy of this Composite.

The Short Term Fixed Income Creation Date was March , 2004. (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.

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“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.

The firm’s composites and total firm assets properly reflect only actual assets managed by the firm

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

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 1.20% for assets between 150 and 500 thousand Pesos, and 0.60% for assets more than 500 thousand. Actual investment advisory fees incurred by clients may vary.