

# 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 GLOBAL FIXED INCOME OPORTUNITIES 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	169	1	2.77%	2.75%	3.38%	N.A. <sup>1</sup>	N.A. <sup>1</sup>

\* Performance shown for 2016 is from September 31, 2016 through December 31, 2016.

N.A.<sup>1</sup> – 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 2016 due to less than 36 months of composite and benchmark data.

***The Global Fixed Income Oportunities Composite** invests primarily in debt instruments issued in foreign stock markets; through foreign collective investment mechanisms (TRACs or ETFs) that replicate the performance of these instruments or composite indexes based on this type of instruments and seeks to offer their investor clients higher returns than those observed by an internal index made up of following ETF's in the indicated proportions:*

ETF	%
IEI (iShares Barclays 3-7 Year Treasury Bond Fund)	50%
HYG (iShares iBoxx \$ High Yield Corporate Bond Fund)	10%
LQD (iShares iBoxx \$ Investment Grade Corporate Bond Fund)	20%
EMB (iShares JPMorgan USD Emerging Markets Bond Fund)	20%

*This index is made up of fixed income instruments of several countries among which the United States of America, as well as several countries known as "emerging economies. The list of these "emerging economies" is available on <https://www.ishares.com/us/products/239572/ishares-jp-morgan-usd-emerging-markets-bond-etf?qt=EMB>*

*In addition, **The Global Fixed Income Oportunities Composite** may invest in those debt assets issued or guaranteed by the Federal Government, Bank of México, state and municipal governments, credit institutions, direct or repurchased, denominated in Euros, Dollars or national currency. As well as in investment mechanisms (TRACs or ETFs) to replicate the behavior of emerging market currencies Euros and / or Dollars.*

***The Global Fixed Income Oportunities Composite** may invest in debt issued in foreign securities markets either directly or through international investment companies of the Principal Global Investors fund family.*

***The Global Fixed Income Oportunities Composite** Creation Date was September, 2016 (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

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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.

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 an Annual Fee of 1.40%. Actual investment advisory fees incurred by clients may vary.