

# 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 REAL RATE 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	782	1	7.46%	7.02%	7.76%	N.A.1	N.A.1
2015	22,063	453	1	1.28%	0.99%	1.47%	N.A.1	N.A.1
2014*	17,621	482	1	3.34%	3.06%	3.54%	N.A.1	N.A.1

\* Performance shown for 2014 is from April 30, 2014 through December 31, 2014.

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 2014 through 2016 due to less than 36 months of composite and benchmark data.

***The Real Rate Composite:*** includes portfolios that invest in Long Term Inflation-protected securities. (The minimum investment in Long Term Inflation-protected securities is +70%). 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-Real5A 60%**, **PiPG-Real3A 30%** and **PiPG-Bpa182 10%**. **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. **PiPG-Real3A** 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 366- 1,092 days. **PiPG-Bpa182** Index includes al Bonos de Protección al Ahorro with semi-annual coupon payment. Those indexes are available on the website <https://www.piplatam.com>.

The Real Rate Composite Creation Date was April, 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 1.50% for assets less than 500 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.