

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 CONSERVATIVE TARGET-RISK FUND 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 | 4,237 | 1 | 13.48% | 11.59% | 14.83% | 2.96% | 3.18% |
| 2015 | 22,063 | 2,674 | 1 | 7.01% | 5.21% | 5.97% | 2.62% | 2.69% |
| 2014 | 17,621 | 1,362 | 1 | 10.79% | 8.91% | 8.73% | 2.66% | 2.54% |
| 2013 | 10,058 | 835 | 1 | 6.85% | 4.92% | 5.57% | N.A1 | N.A. 1 |
| 2012** | 9,482 | 578 | 1 | 9.42% | 7.41% | 9.99% | N.A1 | N.A. 1 |
| 1.5.2011 to 31.05.2011 | 8,640 | 133 | 1 | 0.20% | 0.01% | 0.10% | N.A.1 | N.A.1 |
| 1.1.2011 to 28.02.2011 | 6,732 | 130 | 1 | (0.17%) | (0.55%) | (-0.27%) | N.A.1 | N.A.1 |
| 2010* | 7,378 | 145 | | 3.24% | 2.45% | 3.10% | N.A | N.A. |

* Performance shown for 2010 is from August 31, 2010 through December 31, 2010.

From 01.03.2011 to 30.04.2011 and from 1.06.2011 to 31.12.2011 this composite had no the minimum account size.

**Performance shown for 2012 is from January 31, 2012 through December 31, 2012.

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 2010 through 2014 due to less than 36 months of composite and benchmark data.

The Conservative Target-Risk Fund Composite includes portfolios that invest in a mix of fixed income securities and equity. (The maximum investment in equity is 35 %.) The portfolios seek to invest majority of its assets in fixed income securities complementing its investment with equity, investing in foreign and local funds managed by Principal and ETF 's.

The portfolios belong to Lifecycle Funds with conservative Target Risk. For comparison purposes, the composite is compared to the PiP-Fix10A 11%, PiP-Real10A 11%, PiPCetes-28d 29.7%, PiPG-Real5A 3.3%, IPC 6%, Bofa Merrill Lynch Global High Yield Index 22%, FTSE EPRA/NAREIT Developed 3%, MSCI World Net Total Return 10% and MSCI Emerging Markets 4% .

PiP-Fix10A 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 1,882 and 3,640 days. It includes Cetes and fixed rate Bonds with this term to maturity, **PIPG-Real10A** Index simulates a fund that invests all its assets in securities with real rate of the Mexican market that have a term to maturity between 2,021 and 3,640 days (5.6 to 10 years). It includes Udibonos, Pic 's and CBIC 's with this term to maturity, **PiPCetes-28d** Index invest all its assets in one security Cetes 28 days (27 or 29 when there are non-business days). **PiPG-Real5A** index simulates a fund that invest all its assets in real rate securities, Udibonos, Pic 's and CBIC 'S with a term to maturity between 1,094 and 2020 days(3 and 5.6 years); This four Indexes are available on the website <https://www.piplatam.com>. **IPC** (Índice de Precios y Cotizaciones) is the main indicator of the Mexican Stock Exchange, it expresses the yield of the stock market based on the prices variations of a balanced, weighted and representative group of stocks of the ones that are listed in the Stock Exchange. **The BofA Merrill Lynch Global High Yield Index** tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. **The FTSE EPRA/NAREIT Developed Index** incorporates Real Estate Investment Trusts (REITs) and Real Estate Holding & Development companies. **The MSCI World Net Total Return Index** is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. **The MSCI Emerging**

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Markets is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

Old Benchmarks changed since January 2013 in order to be more representative than older one. Instead of using PiP-Fix10A 11%, PiP-Real 10A 11%, PIFHYAC 22%, PRINRIVA 6% PIFGPSU 3%, PIFGEIA 10%, PIFEMIA 4% and PRINAMAS 33%, it was chosen PiP-Fix10A 11%, PiP-Real10A 11%, PiPCetes-28d 29.7%, PiPG-Real5A 3.3%, IPC 6%, Bofa Merrill Lynch Global High Yield Index 22%, FTSE EPRA/ NAREIT Developed 3%, MSCI World Net Total Return 10% and MSCI Emerging Markets 4% which investment Objective is more appropriate and representative to the investment strategy of this Composite.

The Conservative Target-Risk Fund Composite Creation Date was August, 2010. (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.

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 2.80%. Actual investment advisory fees incurred by clients may vary.