

# 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 MEDIUM 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 3 Yr St Dev
				Gross	Net			
2016	24,087	2,212	1	4.62%	4.05%	4.32%	0.61%	0.46%
2015	22,063	1,943	1	2.94%	2.31%	3.04%	0.67%	0.40%
2014	17,621	1,677	1	4.24%	3.41%	3.76%	0.67%	0.31%
2013	10,058	1,637	1	4.22%	3.36%	3.97%	0.72%	0.26%
2012	9,482	1,805	1	5.43%	4.55%	4.43%	0.57%	0.49%
2011	7,442	1,690	1	5.43%	4.52%	4.43%	N.A1	N.A. 1
2010	7,378	1,461	1	5.91%	4.63%	4.59%	N.A1	N.A. 1
2009*	6,060	586	1	2.00%	1.81%	1.53%	N.A1	N.A. 1

\* Performance shown for 2009 is from August 31, 2009 through December 31, 2009.

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 2009 through 2011 due to less than 36 months of composite and benchmark data.

***The Medium Term Fixed Income Composite** includes portfolios that hold medium term fixed income securities. The fund seeks to provide investors higher revenues than an investment in short term, but with a lower level of volatility than long term rates. Portfolios utilize active asset allocation strategies; invest mostly in Government Securities, Quasi-Government and to a lesser proportion in banking notes and Corporates securities of Mexico.*

*For comparison purposes, the composite is compared to the **PiPG-Cetes 90%** and **PiPG-Real5A 10%**. **PiPG-Cetes Index** includes all CETES that are in the market. **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). Both indexes are available on the website <https://www.piplatam.com>.*

*The Medium Term Fixed Income Composite Creation Date was August, 2009. (The rebalancing of the benchmark is annual) The minimum account size for this composite is 130 million Mexican Pesos.*

*Old Benchmarks changed since January 2013 in order to be more representative than older one. Instead of using **ISIMP (Índice de Sociedades de Inversión de Mediano Plazo)** it was chosen **PiPCetes-28d 90%** and **PiPG-Real5A 10%** which investment Objective is more appropriate and representative to the investment strategy of this Composite. Then after looking carefully at **PiPCetes-28d**, it was decided by committee that **PiPG-Cetes** is more suitable as the Benchmark for this composite because it's a portfolio that includes all Cetes outstanding. It's weight is the same as the older one and it's **90%**. So that 2014 return was made with this new Benchmark (**PiPG-Cetes 90%** & **PiPG-Real5A 10%**).*

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

# PFI INVESTMENT MANAGEMENT, LLC

---

PERFORMANCE MEASUREMENT – GLOBAL INVESTMENT PERFORMANCE STANDARDS

## Appendix B – Annual Disclosure Presentations

---

---

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 2.00% for assets between 10 and 50 thousand Pesos, 1.80% for assets between 50 and 150 thousand Pesos, 1.60% for assets between 150 and 500 thousand Pesos, 1.30% for assets between 500 thousand and over 1 million Pesos, 0.80% for assets over 1 million Pesos. Actual investment advisory fees incurred by clients may vary.