

Principal Finisterre

FINISTERRE EMERGING MARKETS DEBT TOTAL RETURN FUND

Monthly Commentary

DECEMBER 2025

Investment Manager

Principal Global Investors (Australia) Limited
ABN 45 102 488 068 | AFSL 225385

Sub-Advisor

Principal Global Investors (Australia) Limited, the Investment Manager, has delegated the day-to-day investment management of the Finisterre EMD Total Return Fund (Fund) to Finisterre Capital (Finisterre), an internal investment management group and trading name of Principal Global Investors (Europe) Limited, the Sub-Advisor. The Sub-Advisor will assume primary responsibility for discretionary portfolio management for the Fund subject to the oversight of the Investment Manager.

Investment objective

The Fund seeks to generate total returns through income and capital appreciation, while limiting volatility and potential capital losses

Fund facts

Fund size \$619M (AUD)
Base currency AUD
Fund domicile Australia
Pricing Daily

Fund Facts

Seed date 20 July, 2021
Currency AUD
Hedging -
Minimum investment \$500,000
Management fee(s) 85 Basis Points
Income distribution Quarterly

Fund Performance (%)

	1M	3M	1YR	3YR	5YR	SI*
Fund Net Performance	0.34	3.02	13.59	10.27	-	4.40

*This figure represents the annualised performance of the Fund since inception - 20th July, 2021.

Fund analysis

	Fund
Average Duration	4.74
Average Maturity (Years)	7
Current Yield	6.82
Yield to Worst	7.62
Yield to Maturity	7.84

Any yields quoted on the fact sheet are calculated at portfolio level gross of tax and expenses.

- Current Yield is the annual interest earned on the underlying bonds divided by the market price of the underlying portfolio of bonds. The figure is not the dividend yield received by the investors and is subject to change depending on the underlying portfolio of bonds.
- Yield to Worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making the worst-case scenario assumptions on the issue.
- Yield to Maturity is a concept used to determine the rate of return an investor will receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. Please note that this is not the return or dividend to be received by investors in the fund.

Credit quality net (%)

	Fund
AAA	-
AA	0.90
A	-1.41
BBB	20.60
BB	30.68
B	11.47
CCC and below	5.45
Not Rated	4.91

Credit Quality refers to the credit ratings for the underlying securities in the Fund as rated by Standard & Poor's, Fitch or Moody's Investors Service, and typically range from AAA/Aaa (highest) to C/D (lowest). If Moody's, Fitch and S&P assign different ratings, the second highest rating is used. Ratings methodologies and individual ratings can change over time.

Top 10 gross exposure (%)

	Fund
UNITED STATES HY CORP CDS	-12.62%
CHINA BANKING SECTOR CDS	-5.60%
SOUTH AFRICA LOCAL SOVEREIGN	3.94%
EGYPT LOCAL SOVEREIGN	3.15%
COLOMBIA CDS	-3.02%
TRY CURRENCY	2.97%
CZK CURRENCY	2.84%
BRAZIL LOCAL SOVEREIGN	2.82%
ROMANIA LOCAL SOVEREIGN	2.65%
COLOMBIA LOCAL SOVEREIGN	2.50%

* Excludes FX hedges, bond futures, US T-Bills, US T-Notes and cash.

Top 5 issuer gross exposures (%)

	(% nav)
CZECHOSLOVAK GROUP AS	1.15
IVANHOE MINES LTD	1.05
VEON HOLDINGS BV	1.02
LEVIATHAN BOND LTD	0.96
SAAVI ENERGIA LUXEMBOURG SARL	0.94

Top 5 Sovereign exposures (%)

	(% nav)
ROMANIA (REPUBLIC OF)	2.65
ECUADOR REPUBLIC OF (GOVERNMENT)	1.60
GHANA (REPUBLIC OF)	1.58
EGYPT (ARAB REPUBLIC OF)	1.49
MEXICO (UNITED MEXICAN STATES) (GOVERNMENT)	1.44

Regional allocation (net exposure %)

	Fund
AFRICA	26.32
LATAM	26.05
EASTERN EUROPE	19.04
MIDDLE EAST	14.04
ASIA	4.49
INDEX SNAT	-10.24

Local currency exposures (Top 5 by net %)

	Fund
ZAR	4.43
TRY	3.87
BRL	3.76
EGP	3.15
PLN	2.92

Contact us

For more information on the fund, please contact:

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Performance note

This document presents the performance of this particular unit class of the Fund from the date of inception of the unit class in its unit class currency, as specified on the front page.

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