

Looking for high quality income strategies

Speaking at Hubbis' Investment Solutions Forum 2017 in HK – Suresh Singh of Principal Global Investors discusses how the firm can deliver solutions based on its active multi-boutique approach.

A key feature of Principal Global Investors (PGI) is the firm's active, multi-boutique approach, explains Suresh Singh, head of funds distribution in Asia.

The network of specialised investment boutiques includes: Principal Global Equities; Principal Global Fixed Income; Principal Real Estate Investors; Post Advisory Group; Columbus Circle Investors; Edge Asset Management; Macro Currency Group; Origin Asset Management; Morley Financial Services, Inc; Spectrum Asset Management; Finisterre Capital LLP; and Principal Portfolio Strategies.

Given the trends in the investment climate, Singh points to Spectrum Asset Management, which is 100% owned by PGI.

Spectrum is one of the largest specialist managers of preferred securities in the world, he explains, with roughly USD20 billion in AUM accumulated over a period of around 30 years.

There is also a stable team; the founder has been with the firm for 30-plus years, the chief investment officer for 20-plus years, and the head of research for 19-plus years. Singh also highlights the flagship fund – Principal Preferred Securities Fund.

This takes a conservative, risk-managed approach to subordinated fixed income, with a gross yield of 5.6% at the portfolio level.

It is a high-quality portfolio, he says – 80% of the securities are investment grade at the security level, and there is diversification by security type, geography and issuers.

For example, only 18.5% is invested in Cocos; it is split 31% US, 47% Europe; there are more than 200 securities and over 100 issuers in the portfolio; and 70% of the portfolio is floating, with fixed to float paper to help manage the duration of the fund. ■



SURESH SINGH
Principal Global Investors

[Link to Speaker Biography](#)

[Link to Presentation Slides](#)

[Watch Video Highlights](#)