Prospectus

14 December 2023

Principal Global Investors Funds

An open-ended umbrella fund constituted as a unit trust with segregated liability between Funds pursuant to the Unit Trusts Act 1990, as amended, and authorised by the Central Bank as a UCITS pursuant to the Regulations

To the best of the knowledge and belief of the Directors (whose names appear under the heading "Management of the Unit Trust – Directors of the Manager" below and who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of the information. The Directors accept responsibility accordingly.

IMPORTANT INFORMATION

The Unit Trust is authorised and supervised by the Central Bank. The authorisation of the Unit Trust by the Central Bank is not an endorsement or guarantee of the Unit Trust nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Unit Trust shall not constitute a warranty by the Central Bank as to the performance of the Unit Trust and the Central Bank shall not be liable for the performance or default of any Fund of the Unit Trust.

In deciding whether to invest in the Unit Trust, investors should rely on information in this Prospectus, the relevant Supplement, the relevant PRIIPs KID or KIID, and the relevant Fund's most recent annual and/or semi-annual reports. The Prospectus, the relevant Supplement and the relevant PRIIPs KID or KIID may be updated from time to time and therefore prospective investors should make sure they have the most recent versions of each these documents and review them in their entirety before making an investment decision.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Unit Trust or the suitability for you of investing in the Unit Trust, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The distribution of this Prospectus and the offering of Units may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised. It is the responsibility of any person wishing to apply for Units to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence or domicile.

The Units have not been registered with the United States Securities and Exchange Commission under the United States Securities Act of 1933 and may not be directly or indirectly offered or sold in the United States or to any United States Person, except pursuant to an exemption from the registration requirements under that legislation. Neither the Unit Trust, nor any of the Funds, are registered with the United States Securities and Exchange Commission as an investment company under the United States Investment Company Act of 1940. This Prospectus does not constitute and should not be construed as an offer, invitation or recommendation by the Manager or its related companies to apply for Units in the Funds in the United States or in any state, country or jurisdiction where such an offer, invitation or recommendation may not be lawfully made. Applicants for Units will be required to certify that they are not United States Persons.

Units may not be offered or sold in the United Kingdom except as permitted by the Financial Services and Markets Act 2000 (as amended) ("FSMA 2000") and the regulations made under it, and this Prospectus may not be communicated to any person in the United Kingdom except in circumstances permitted by FSMA 2000 or those regulations or to a person to whom this Prospectus may otherwise lawfully be issued in the United Kingdom. The Manager is not authorised to carry on investment business in the United Kingdom and investors are advised that the protections afforded by the United Kingdom regulatory system may not apply to an investment in the Fund and compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Trust Deed gives powers to the Manager to redeem Units held by any individual under the age of 18 (or such other age as the Manager may think fit); any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Manager, the Trustee or the Unit Trust incurring any liability to taxation or suffering any other pecuniary disadvantage or would subject the Manager, the Trustee or the Unit Trust to any additional regulation which the Manager, the Trustee or the Unit Trust might not otherwise have incurred or suffered; any person in breach of the law or requirements of any country or governmental authority; any person whom the Manager considers to be associated with market timing activity; any person who holds less than the minimum number of units as may be specified for a Fund; any person in respect of whom the Manager or its delegate has not received all supporting anti-money laundering or related documentation and such other information as the Manager or its delegate may reasonably require by such time as may from time to time be specified in the Prospectus or otherwise determined; any person or entity who breached or falsified representations on subscription documents; or any person who is not eligible to invest in the relevant Fund or class in accordance with the Prospectus or is in breach of any terms or conditions applying to a class of Units as may be specified in the Prospectus.

Any information given or representations made, by any dealer, salesperson or other person not contained in this Prospectus, a Supplement or the accompanying documents should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of the Prospectus or any Supplement nor the offer, issue or sale of Units shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

Potential subscribers for Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, transfer or disposal of Units.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into an appropriate language. Where such a translation is required, the translated version of the Prospectus will be a direct translation from the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

As the price of Units in each Fund may fall as well as rise, the Unit Trust shall not be a suitable investment for an investor who cannot sustain a loss on his investment.

The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk. As with any investment, future performance may differ from past performance, and Holders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.

No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund.

The price of Units and the income generated from them may go down as well as up meaning that an investment should be viewed as medium to long-term.

Where provided for in the relevant Supplement, (i) dividends may be declared out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Holders. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorised firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorised firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorised firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

DIRECTORY

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Administrator

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1 THE UNIT TRUST AND THE PRINCIPAL FINANCIAL GROUP

1.1 The Unit Trust

The Unit Trust is an open-ended umbrella unit trust which was authorised in Ireland as a UCITS on 13 October 1992. The Unit Trust has created a number of sub-funds (the "**Funds**"). The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. Additional Funds (in respect of which a Supplement or Supplements will be issued) may be established from time to time with the prior approval of the Central Bank.

Different classes of Units in each Fund may be issued from time to time by the Manager. Each Unit represents one undivided share in the property of the relevant Fund and the nature of the right represented by a Unit is that of a beneficial interest under a trust. A separate pool of assets shall not be maintained in respect of each class. Additional classes in respect of which a Supplement or Supplements will be issued may be established by the Manager and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the Central Bank Requirements. Separate books and records will be maintained for each Fund but not for each Unit.

At the date of this Prospectus, the Trust comprises the following Funds:

(a) Asian Equity Fund*

(b) European Responsible Equity Fund

(c) Global Responsible Equity Fund

(d) Global Property Securities Fund

(e) Global High Yield Fund

(f) Origin Global Emerging Markets Fund

(g) Origin Global Smaller Companies Fund

(h) Post Short Duration High Yield Fund

(i) Preferred Securities Fund

(j) Emerging Markets Equity Fund*

(k) Finisterre EM Debt Fund*

(l) Real Estate Debt Fund*

(m) Global Diversified Income Fund*

(n) Finisterre Unconstrained Emerging Markets Fixed Income Fund

(o) U.S. Blue Chip Equity Fund

(p) Asian High Yield Fund

(q) Finisterre VAG Unconstrained EM Fixed Income Fund

(r) Finisterre Emerging Markets Debt Euro Income Fund

(s) China Opportunities Equity Fund*

(t) Global Sustainable Listed Infrastructure Fund

(u) CCB Principal China New Energy Innovation Fund

* The Fund is no longer available for subscription and an application will be made to the Central Bank for withdrawal of its approval in due course.

1.2 Investment Manager

The Investment Manager for the Unit Trust is Principal Global Investors, LLC. The Investment Manager is a member of the Principal Financial Group®.

The Investment Manager may delegate investment management responsibility in respect of any of the Funds in whole or in part to the Sub-Investment Managers. Details of any Sub-Investment

Manager appointed by the Sub-Investment Manager in respect of a Fund but not paid directly out of the assets of the relevant Fund are available upon request and will be set out in the relevant periodic reports for that Fund.

1.3 The Principal Financial Group*

The Principal Financial Group® (**Principal®**) is a global investment management leader offering retirement services, insurance solutions and asset management. The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies. Founded in 1879 and a member of the FORTUNE 500®, the Principal Financial Group has $US635.3 billion in assets under management as of 31 December 2022 and serves some 62 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the Nasdaq Global Select Market under the ticker symbol PFG.

However, investors should note that investments in the Funds are neither insured nor guaranteed by the US Government or the Federal Deposit Insurance Corporation and are not deposits or obligations of, or guaranteed by, Principal Financial Group, Inc. or any affiliate thereof.

1.4 Principal Asset Management

Principal Asset Management leads global asset management at Principal®. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: fixed income, equities, real estate, asset allocation, currency, stable value, and other structured investment strategies. As of 31 December 2022, the firm managed $US501.5 billion of assets on behalf of a broad range of investors.

Commitment to Responsible Investing

Principal Asset Management's commitment to sustainable investing revolves around a key factor — its fiduciary responsibility to its clients. Acting in their best interests comes first and foremost. The approach to sustainable investing is at all times driven by that priority.

Principal Asset Management has been a United Nations Principles for Responsible Investment ("PRI") signatory since 2010, highlighting the firm's dedication to ESG issues. Its global investment teams are covered by the PRI signature. Consistent with a specialised investment team model, each team defines the scope and pace of its own implementation path, driven by what fits best with its investment process and the needs of its clients.

The Principles for Responsible Investing (the "Principles") are based on the premise that ESG issues can affect the performance of investment portfolios and investors should give them appropriate consideration to fulfil their fiduciary duty. In signing these Principles, Principal Asset Management publicly commits, where consistent with its fiduciary responsibilities, to the following:

(a) to incorporate ESG issues into its investment analysis and decision-making processes;

(b) to be active owners and incorporate ESG issues into its ownership policies and practices;

(c) to seek appropriate disclosure on ESG issues from the entities that it invests in;

(d) to promote acceptance and implementation of the Principles within the investment industry;

(e) to work with other signatories to enhance effectiveness in implementing the Principles; and

(f) to report on its activities and progress towards implementing the Principles.

Principal Asset Management has issued a sustainable investing policy statement to outline how the tenets of sustainable investing are applied by its investment teams.

For further information, please refer to www.principalam.com/about-us/esg

2 GENERAL INFORMATION

2.1 Investment Objective and Policies

The investment objective and policies of each Fund are set out in the Supplements. Investors' attention is also drawn to the General Policies paragraph of the General Information section and to the Special Investment Considerations and Risks section set out below.

2.2 General Policies

Equity securities, for the purposes of the investment objective and policies set out in any Supplement include common stock, preferred securities, ADRs, GDRs, warrants or rights to subscribe to, or purchase, or convert into, such securities.

Debt securities, for the purposes of the investment objective and policies set out in any Supplement include sovereign, corporate and collateralised (i.e. asset and mortgage backed) debt securities and instruments with floating and fixed rates.

Preferred securities for the purposes of the investment objective and policies set out in any Supplement refer to securities with a claim to a company's earnings before payment can be made on common stock, and which are usually entitled to priority over common stock if a company liquidates. They are sometimes referred to as hybrid securities.

Investors' attention is also drawn to the fact that the references in each Supplement to ancillary liquid assets may include instruments with floating and fixed interest rates and short-term securities including treasury bills, certificates of deposit, bankers' acceptances and other forms of liquid investments as well as bank deposits.

With the exception of permitted investment in unlisted investments and over-the-counter FDI, investments by a Fund will be restricted to securities and FDI listed or traded on permitted markets as set out in Appendix E. Accordingly, each Fund may invest up to 10% of its Net Asset Value in unlisted securities/securities listed on markets other than those set out in Appendix E, provided this is consistent with its investment objective.

The formation of the investment policy for each Fund and any changes to such policy in the light of political and/or economic conditions is the responsibility of the Manager who may change the investment policy for any Fund accordingly. The Trust Deed does not restrict the investment policy or the investment of the Unit Trust's assets, save as described below under Appendix A: Investment Restrictions. Any change in the investment objective or material change in the investment policy of a Fund will require the approval of a majority of votes of the Holders of the relevant Fund cast at a general meeting or by means of a written resolution. In addition, any change in the investment objective or a material change to the investment policies of a Shariah Fund, may only be made once the Shariah Adviser has advised that such change is in accordance with Shariah and, provided the necessary approvals have been sought from the Holders of the relevant Shariah Fund. Prior notice of any change in investment objective or material change in investment policy of a Fund must be given to Holders in order to enable them to request the redemption of their Units.

Liquidity risk management is an important part of the investment process and will be considered during portfolio construction. The liquidity profile of the Funds' investments may be changed if a period of reduced or heightened liquidity needs is anticipated. The Manager may also utilise the tools described in the sections entitled "**Restrictions on Redemptions**" and "**Anti-Dilution Levy in Relation to Redemption of Units**" to manage the Funds' liquidity risk.

FDI including currency swaps, futures, forwards, options, warrants, equity options, credit default swaps and total return swaps may be used for the purposes of efficient portfolio management ("**EPM**") if deemed advisable by the Investment Manager, subject to the Regulations and the Central Bank Requirements.

Use of such techniques and instruments should be in line with the best interests of Holders and will generally be made for one or more of the following reasons:

(i) the reduction of risk;

(ii) the reduction of cost; or

(iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the Manager, in employing such EPM techniques and instruments for these reasons, that their impact on the performance of the relevant Fund will be positive.

Such techniques and instruments include foreign exchange transactions, which are used principally for hedging purposes (to create hedged currency Unit classes (hedged back to the base currency of the Unit class), or to alter the currency exposure characteristics of portfolio investments). The Investment Manager may (but is not obliged) to seek to mitigate exchange rate risk by using FDI.

Where provided for in the relevant Supplement, FDI may also be used for investment purposes.

Unless otherwise specified in the relevant Supplement, each Fund shall use the commitment approach to calculate its global exposure as a result of the use of FDI. Accordingly, global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Fund.

A Fund may also, where indicated in the relevant Supplement, enter into repurchase, reverse repurchase, sale and buyback agreements and securities lending agreements.

The Manager shall be free at its discretion to take advantage of any wider investment powers which may become permitted under the Regulations.

Where provided for in the relevant Supplement, a Fund may use techniques and instruments, including FDI, 'when issued' and 'forward commitment' securities (which securities are taken into account when calculating the limits in the investment restrictions set out in the Prospectus), for the purpose of EPM in accordance with the Central Bank Requirements. In particular, a Fund may enter into repurchase, reverse repurchase, sale and buyback agreements (together "**Repo Agreements**") and securities lending agreements, credit default swaps ("**CDS**") and total return swaps ("**TRS**") and may enter into forward currency contracts to alter the currency exposure characteristics of portfolio investments. Further information on Repo Agreements and securities lending agreements is set out in the section entitled "Securities Financing Transactions".

Repo Agreements are instruments where one party sells a security and simultaneously agrees to repurchase the securities at a particular time at a specified price. The price is equal to the sale proceeds plus repo interest. The proceeds from the repoed security can be reinvested in another investment with a yield which is greater than the repo rate and this should enable a Fund to obtain a return which is greater than that which the security alone can generate. A CDS is a type of over-the-counter traded derivative contract which allows one party to buy protection from another party in respect of potential losses arising from the default of a specified reference credit or credits. A CDS provides a Fund with an alternative to investing in assets themselves for a potentially higher return with the same risk. CDSs may be used to obtain exposure to assets which the Fund could not otherwise acquire due to illiquidity in the relevant market. A TRS is a type of over-the-counter derivative contract which allows a Fund to achieve exposure to an asset or asset class on a synthetic basis. A Fund receives the total return of a reference asset or asset class for a specific period of time in return for a cost of financing. If the investment return is greater than the cost of financing the TRS, the Fund should receive an enhanced return which is greater than that which the underlying asset alone could generate.

The reference asset or asset class of any CDS or TRS will always comprise assets which a Fund itself is permitted to invest in directly under its current investment policy. Any such transaction cannot subject a Fund to a potential loss greater than that which it could obtain in the cash market and may only be carried out in accordance with the Central Bank Requirements.

Where provided for in the relevant Supplement, a Fund may also enter into currency forward contracts which may be used to alter the currency exposure characteristics of certain assets held by a Fund but will never be used for speculative purposes. Such contracts will generally be utilised to gain exposure to a currency in which a Fund may invest directly rather than to purchase the cash assets in that currency.

The Manager uses a risk management process ("**RMP**") which enables it to accurately measure, monitor and manage the various risks associated with the derivate instruments used by each Fund.

Supplementary information will be provided by or on behalf of a Fund to Holders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments held by a Fund.

Asset Replication Strategy

In respect of certain Funds the Manager, on the recommendation of the Investment Manager, may decide to avail of the range of techniques and instruments which Funds are permitted to use for the purpose of EPM in accordance with the Regulations to pursue an asset replication strategy (the "**Asset Replication Strategy**"). The Supplement for each Fund will disclose if that Fund is to utilise the Asset Replication Strategy and, in such cases, in addition to the techniques and instruments outlined above, the following additional provisions shall apply.

Each Fund may use techniques and instruments, including FDI, 'when issued' and 'forward commitment' securities (which securities are taken into account when calculating the limits in the investment restrictions set out in the Prospectus), for the purpose of EPM in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. In particular, the Fund may enter into Repo Agreements and securities lending agreements, CDS and TRS and may enter into forward currency contracts to alter the currency exposure characteristics of portfolio investments.

Each Fund may also enter into currency forward contracts which may be used to alter the currency exposure characteristics of certain assets held by a Fund but will never be used for speculative purposes. Such contracts will generally be utilised to gain exposure to a currency in which a Fund may invest directly rather than to purchase the cash assets in that currency.

The use of the Asset Replication Strategy entails additional considerations for investors and these are disclosed in the relevant sub-section of the section of the Prospectus headed "**Special Investment Considerations and Risks**".

2.3 Securities Financing Transactions

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements where provided for in the relevant Supplement. Such Securities Financing Transactions may be for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, a Fund may also use TRS. Subject to each Fund's investment objective and polices, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and TRS and therefore the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions or TRS can be as much as 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual accounts of each Fund will express the amount of the Fund's assets subject to Securities Financing Transactions and TRS.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from Securities Financing Transactions and any other EPM techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to counterparties engaged by the Manager from time to time. Such fees and expenses of any counterparties engaged by the Manager, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Unit Trust or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific Securities Financing Transactions counterparties engaged by the Unit Trust from time to time (including whether they are related to the Manager or the Trustee) shall be included in the relevant Fund's semi-annual and annual reports.

While the Manager will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Requirements do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

From time to time, a Fund may engage counterparties that are related parties to the Trustee or other service providers of the Unit Trust. Such engagement may on occasion cause a conflict of interest with the role of the Trustee or other service provider in respect of the Unit Trust. Please refer to Section 7.7 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to **Risk Factors** Section 3.2 "FDI and Securities Financing Transactions Risk" in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Unit Trust's risk management process.

2.4 Collateral Policy

In the context of efficient portfolio management techniques, including Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund.

Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Requirements and the terms of the collateral policy for the Unit Trust outlined below.

Collateral received by a Fund

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral to cover daily variation margin calculations as required under EMIR and to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management processes. A Fund receiving collateral for at least 30% of its assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Requirements.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank Requirements.

Collateral received by a Fund from a counterparty on a title transfer basis shall be held by the Trustee or a duly appointed sub-custodian.

Collateral provided by a Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Trustee or a duly appointed sub-custodian. Investors' attention is drawn to the relevant risk disclosures in this respect set out in the Prospectus under the headings **Credit Risk and Counterparty Risk** and **Collateral Risk**.

Acceptable collateral

Collateral received from a counterparty for the benefit of the Fund may be in the form of cash or non-cash assets and non-cash assets must, at all times, meet with the specific criteria outlined in the Central Bank Requirements in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability:

(i) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.

(ii) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place.

(iii) Issuer credit quality: Collateral received should be of high quality.

(iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.

(v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. Notwithstanding the foregoing, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, non-EU Member States or a public international body to which one or more EU Member States belong, as disclosed at section 2.12. Such a Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Fund’s Net Asset Value.

(vi) Immediate availability: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Unit Trust. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

The Investment Manager shall apply suitably conservative haircuts to assets received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing, the price volatility, and, where relevant, the outcome of any stress tests, in accordance with the requirements of EMIR. EMIR does not require the application of a haircut for cash variation margin. Accordingly any haircut applied to cover currency risk will be as agreed with the relevant counterparty. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Requirements, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix A to this Prospectus.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral may not be invested other than in the following:

(i) deposits with Relevant Institutions;

(ii) high-quality government bonds;

(iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;

(iv) short-term money market funds as defined in the Article 2(14) of the Money Market Funds Regulation.

Re-invested cash collateral should be diversified in accordance with the Central Bank diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section entitled "**Reinvestment of Cash Collateral Risk**" in section 3 of the Prospectus (**Special Investment Considerations and Risks**) for more details.

Collateral posted by a Fund

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure other than where it is protected by client money rules or similar arrangements. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

2.5 Borrowings

The Trust Deed enables borrowings to be undertaken on a temporary basis in accordance with the Regulations for the account of any Fund up to a limit of 10% of the net assets of the relevant Fund at the time of borrowing. The assets of the relevant Fund may be charged or pledged as security for any such borrowings.

2.6 Income Units, Income Plus Units and Accumulation Units

The Manager may issue Income Units, Income Plus Units and Accumulation Units in the Funds. Details of the classes of Units currently in issue for each Fund are set out in the applicable Supplement.

<u>Income Units</u>

Income Units entitle holders to receive at each Distribution Date payment of the net income earned and attributable to the Income Units. Payments of net income will either be reinvested in further Income Units in the relevant Fund, or paid out as cash. Please see the relevant Supplement for further information.

Income Plus Units

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out in the section entitled "Distribution Policy".

Accumulation Units

Accumulation Units carry no right to any distribution of income. The net income earned and attributable to Accumulation Units (if any) will be retained within the Fund on a daily basis, so increasing the value of the interest in the Fund of each Accumulation Unit relative to an Income Unit or an Income Plus Unit.

Investors who fail to nominate the type of Unit in a Fund, in which they wish to invest, will receive Accumulation Units for that Fund.

The Manager may issue the following classes: A, B, D, I, F, L, N, P, R, V, X, Z.

Each Fund may issue one or more classes of Units.

Classes may be issued as Income or Accumulation Units. The differences between these classes may be the different levels of fees, minimum application amounts applicable to each class, the denomination of the Units, details of which shall be set out in the relevant Supplement.

Unless provided otherwise in this Prospectus or the relevant Supplement, all classes may be offered to the retail sector and may be purchased by individual or institutional investors or distributors, paying agents, brokers or other financial intermediaries.

The N and I Class Units are suitable for investment only by investors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business which may include an agreement covering a separate charging structure.

The Z Class Units have been established by the Manager for early investors coming into certain Funds. Z Class Units are solely available to investors meeting the Minimum Initial Subscription detailed in the relevant Supplement. These Units are not available to investors or platforms that do not individually meet the Minimum Initial Subscription but are accessing the Fund via a pooled or aggregator account.

2.7 Hedged and Unhedged Units

Units in the relevant Fund may be denominated in the same or in different currencies. Where a class of Units is denominated in a currency other than the relevant Fund's Base Currency, the Manager shall determine whether such Units shall be constituted as hedged or unhedged Units. In the case of a hedged class of units ("**Hedged Units**"), the Fund shall enter into certain currency-related transactions through the use of EPM techniques (including exchange rate swap contracts, currency options, forward currency transactions and other instruments) in order to seek to hedge out currency risk of a hedged class of Units.

Unless otherwise disclosed in the relevant Supplement, this will involve a class designated in a currency other than the Base Currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the class and the Base Currency of the relevant Fund; or (ii) exchange rate fluctuation risks between the designated currency of the class and the other denominated currencies of the Fund's assets.

To the extent that hedging is successful for a particular class, the performance of the class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more classes shall be assets/liabilities of the Fund but will be attributable to the relevant class(es) and the profit and loss (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant class. However, investors should note that there is no segregation of liability between Unit classes. Although the costs, profits and losses of the currency hedging transactions will accrue solely to the relevant class, Holders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another class. Please refer to the section entitled "**Special Investment Considerations and Risks; Currency Hedging at Units Class Level Risk**" for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Unit class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Requirements, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the Regulations and the Central Bank Requirements.
- Over-hedged positions should not exceed 105% of the portion of the net assets of the relevant class which is to be hedged against currency risk.
- Under-hedged positions should not fall short of 95% of the portion of the net assets of the relevant class which is to be hedged against currency risk.
- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.
- The currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Unit classes.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. Further, these hedging techniques are designed to reduce a Holder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Units in the relevant classes from benefiting if the currency of that class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated. There are additional considerations for investors inherent in the use of Hedged Units and these are disclosed in the relevant section of the Prospectus headed "**Special Investment Considerations and Risks**; **Currency Risk**".

Details of any Hedged Units and the currency against which they are hedged are set out in the relevant Supplement.

2.8 Use of a Subscriptions/Redemptions Account

The Unit Trust operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's requirements. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted that the Trustee will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Unit Trust's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the Unit Trust in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or other Fund of the Unit Trust) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Unit Trust.

The Manager in conjunction with the Trustee operates a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Manager and the Trustee at least annually.

2.9 References to Benchmarks

Certain Funds may refer to indices within the Supplement of the relevant Funds. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; (ii) relative VaR measurement; and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation. Holders should note that the Unit Trust and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed.

Where relevant, the Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3(1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Manager will take to nominate a suitable alternative index.

Any index used by a Fund in accordance with Article 3(1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation.

2.10 Data Protection

Prospective investors should note that, by virtue of making an investment in the Unit Trust and the associated interactions with the Manager and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Manager on behalf of the Unit Trust with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Manager on behalf of the Unit Trust and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Manager on behalf of the Unit Trust shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator and the Investment Manager, may act as data processors (or data controllers in some circumstances).

The Manager has prepared a document outlining its data protection obligations on behalf of the Unit Trust and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice (which is appended to the Application Form) as part of the process to subscribe for Units in the Unit Trust.

Given the specific purposes for which the Manager on behalf of the Unit Trust and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the Manager on behalf of the Unit Trust has considered this to be necessary for the purposes of its or a third party's legitimate interests.

2.11 Sustainable Finance Disclosures

The European Union has introduced a series of legal measures (the primary ones being SFDR and the Taxonomy Regulation) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This section of the Prospectus has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR and the Taxonomy Regulation.

2.11.1 SFDR Disclosures

Part A - Fund Classification

For SFDR purposes each Fund is classified as either (i) a Mainstream Fund; (ii) an ESG Orientated Fund; or (iii) a Sustainable Investment Fund.

If a Fund is classified as either an ESG Orientated Fund or a Sustainable Investment Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Supplement for the relevant Fund.

As a default, and in the absence of such clear indication, each Fund will be classified as a Mainstream Fund and is therefore not subject to any additional disclosure requirements for financial products referred to in SFDR and does not take into account the EU criteria for environmentally sustainable economic activities as set out in SFDR.

The disclosures in Parts B and C below shall apply to a Fund (regardless of its classification) unless specifically disapplied for a Fund in the relevant Supplement. Where such disclosures are disapplied in the relevant Fund, please see the disclosures in the relevant Supplement for that Fund.

Part B - Sustainability Risks – Integration into investment decision making

All Funds to which this disclosure applies are managed in line with the Manager's Sustainability Risk policy which can be found at https://www.principalam.com/about-us/esg. The Sustainability Risk policy approaches Sustainability Risk from the perspective that environmental, social, and governance related risks ("ESG events") might cause a material negative impact on the value of a Fund's investments.

The Investment Manager or the Sub-Investment Manager of the Funds, as appropriate, will define the manner in which Sustainability Risks are integrated into their investment decisions. These processes aim to identify, measure, manage and monitor Sustainability Risks of the Funds, where relevant.

When making investment decisions, as part of their due diligence processes, the Investment Manager or the Sub-Investment Manager will continuously assess, including at the time of purchase, all relevant Sustainability Risks that might have a relevant material negative impact on the financial return of an investment.

The Manager has also implemented a shareholder engagement policy for the purposes of the revised Shareholders Rights Directive ("SRD II"). The Manager's engagement policy sets out how it integrates shareholder engagement in its investment strategies, including in relation to the Funds. The Manager's engagement policy can be found at https://www.principalam.com/about-us/esg.

Part C - Sustainability Risks – Assessment of likely impacts on Fund returns

The Manager has assessed the impact of Sustainability Risks on the returns of the Funds to which this disclosure applies, and sets out below a qualitative summary of those risks. The investments made by a Fund may expose it to Sustainability Risks. The extent that a Sustainability Risk occurs, or occurs in a manner that is not anticipated may result in a sudden, material negative impact on the value of an investment, and hence the returns of the Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the returns of the Fund.

A non-exhaustive description of certain Sustainability Risks identified by the Manager as being potentially relevant to the investments made by each Fund to which this disclosure applies, is set out below.

a) Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the relevant Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include, but are not limited to climate change, carbon emissions, air pollution, water pollution, harm to biodiversity, deforestation, energy inefficiency, poor waste management practices, increased water scarcity, rising sea levels and/or wildfires.

b) Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which a Fund may invest or otherwise have exposure to. Social risks include, but are not limited to human rights violations, human trafficking, modern slavery, breaches of employee rights, child labour, discrimination, restrictions on or abuse of the rights of consumers, restricted access to clean water, to a reliable food supply, and/or to a sanitary living environment and/or infringements of rights of local communities.

c) Governance risks are associated with the quality, effectiveness and process for the oversight of day-to-day management of companies in which a Fund may invest or otherwise have exposure to. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. These risks include, but are not limited to; lack of diversity at board or governing body level, inadequate external or internal audit, infringement or curtailment of rights of (minority) shareholders, bribery and corruption, lack of scrutiny of executive pay, poor safeguards on personal data / IT security (of employees and/or customers), discriminatory employment practices, health and safety concerns for the workforce, poor sustainability practices in the supply chain, and/or appropriate and effective safeguards for employment related matters.

Part D - Mainstream Funds

The investments underlying the Mainstream Funds do not take into account the EU criteria for environmentally sustainable economic activities as set out on SFDR.

The classification of a Fund as a Mainstream Fund means that the Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

Part E - ESG Orientated Funds and Sustainable Investment Funds

For any Funds that are classified as ESG Orientated Funds or Sustainable Investment Funds additional disclosures required under SFDR for such Funds shall be provided in the relevant Supplement.

Part F - Risk Factors

Please refer to Section 3, entitled "Special Investment Considerations and Risks" and the section entitled "Sustainable Finance Disclosures Risks" in respect of the risks related to sustainable finance disclosures.

Part G – Exclusions Policy

The Manager has implemented an exclusions policy which sets out companies or issuers which may be excluded from a Fund, either in full or with exceptions (the "Exclusions Policy").

The exclusions are targeted toward companies or issuers participating in the following economic activity (the "Exclusions"):

- Production of controversial weapons, including cluster munitions, anti-personnel landmines, depleted uranium, incendiary weapons, weapons utilising non-detectable fragments, white phosphorous, blinding laser weapons, chemical weapons, biological weapons and nuclear weapons
- Production of assault-style weapons, including military-style assault weapons, semi-automatic firearms with detachable and/or high-capacity ammunition magazines
- Involvement in extreme breaches of international law & human rights, corruption & financial crime, and serious environmental damage, with no adequate remediation efforts

For more detailed information on the Exclusions and exceptions, refer to the Exclusions Policy: https://www.principalam.com/eu/about-us/esg.

The nature of categories chosen to be excluded in the Exclusions Policy may change over time as markets evolve, therefore the Exclusions may be amended from time to time at the Manager's discretion and such amendments may be implemented without notification to Holders. For avoidance of doubt, the Exclusions apply to all Funds notwithstanding the status of such Funds being Mainstream, ESG Orientated or Sustainable Investment Funds.

The Exclusions do not define all exclusions that may be adopted by a Fund. Each Fund may adopt additional exclusions that are specific and appropriate to that Fund's investment strategy, as agreed between the Manager and the Investment Manager and/or the Sub-Investment Manager from time to time. Any Fund-specific exclusions will be disclosed in the relevant Fund's Supplement.

The creation, analysis and maintenance of the list of excluded companies or issuers ("the Exclusions List") is undertaken by the Manager, and may be reliant on both third-party and internal research.

Considerations, taken into account in determining the Exclusions List, include the conclusions of third-party data providers, engagements with the companies, and the direct, in-direct or on-going nature of any involvement in a specific category or incident. Where existing research changes or new information becomes available on a company or issuer which may materially impact the Exclusions List, the Manager will review this updated information and update the Exclusions List, if deemed necessary.

2.11.2 Taxonomy Regulation Disclosures

The Taxonomy Regulation seeks to establish a framework to classify environmentally sustainable economic activities (otherwise known as Taxonomy-aligned activities), whilst also amending certain disclosure requirements of SFDR. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for an objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

The Taxonomy Regulation also builds on the SFDR requirements for Sustainable Investment Funds and ESG-Oriented Funds by placing additional disclosure obligations on such Funds that invest in economic activities that contribute to one or more of the environmental objectives as set out in the Taxonomy Regulation. The Taxonomy Regulation requires the Manager to disclose (i) how and to what extent it has used the Taxonomy Regulation to determine the sustainability of these Funds' underlying investments; and (ii) to what environmental objective(s) the underlying investments contribute.

For the purpose of the Taxonomy Regulation, the investments underlying all Mainstream Funds do not take into account the EU criteria for environmentally sustainable economic activities. Please refer to the Supplements for the ESG Orientated Funds and Sustainable Investment Funds for further information on the Taxonomy Regulation.

2.11.3 Principal Adverse Impacts

The Manager does not consider the principal adverse impacts of its investment decisions on sustainability factors at an entity level. In accordance with the discretion granted pursuant to Article 4(1)(b) of SFDR, the Manager does not currently consider the principal adverse impacts of investment decisions on sustainability factors or issue a statement on its website, in relation to the due diligence policies with respect to those impacts at the level of the Manager. The Manager is supportive of the policy aims of the principal adverse impacts regime, however, there are still a number of uncertainties regarding the obligation and data challenges to aggregate at the Manager's level. The Manager will keep its approach in this area under review and if it determines at a future date to provide such information, this Prospectus and the Manager's website shall be updated accordingly.

At a product level, where a Fund is categorised as an ESG Orientated Fund or a Sustainable Investment Fund, details of the consideration of principal adverse impacts of its investment decisions will be further specified in the Supplement.

Where a Fund is categorised as a Mainstream Fund, the principal adverse impacts of their investment decisions are not currently considered at Fund level as it may not be practicable or proportionate to do so depending on the investment strategy or due to the specific investment outcomes targeted by the strategy of or the specific Fund. This position will be kept under review by the Manager and may change over time.

3 SPECIAL INVESTMENT CONSIDERATIONS AND RISKS

3.1 General Risks

There are risks associated with investment in the Unit Trust and in the Units of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or classes. Details of specific risks attaching to a particular Fund or class which are additional to those described in this section will be disclosed in the relevant Supplement.

The investments of each Fund are subject to normal market fluctuations and other risks inherent in investing in equity, debt or preferred securities. There can be no guarantee against loss, nor any assurance that a Fund's investment objective will be attained.

The value of investments and the income from them, and therefore the value of, and income from, the Units of each class can fall as well as rise and investors may not realise the same amount that they invest.

The following risk factors may apply in respect of any investment in the Unit Trust and in each of the Funds:

Valuation Risk: A Fund may invest some of its assets in unquoted securities. Such investment will be valued in accordance with the valuation techniques set out in Appendix B. The Manager may consult with the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of certain of a Fund's investments and the Investment Manager's other responsibilities. Estimates of the fair value of such investments are inherently difficult to establish and are subject to substantial uncertainty. Each Fund may, for the purpose of EPM, use FDI in which case there can be no assurance that the valuation as determined in accordance with the provisions set out in Appendix B reflects the exact amount at which the instrument may be closed out.

Volatility Risk: Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

Currency Risk: Changes in exchange rates between currencies may cause the value of an investment to diminish or increase. In addition to favourable and unfavourable currency exchange rate developments, the Funds are subject to the possible imposition of exchange control regulations or currency blockages with respect to their investments. Additionally, investment decisions made on behalf of a Fund will not always prove to have been profitable.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Investment Manager may, depending on the investment objective of the Fund, seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

Classes of Units in a Fund may be denominated in currencies other than the Base Currency of the Fund and a Fund may enter into currency exchange transactions and/or use FDI (at a Fund level or, in certain circumstances as described in this Prospectus, at a class level) to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

Currency Hedging at Unit Class Level Risk: Hedging activity at Unit class level may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Unit class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Unit class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Unit class may impact negatively on another Unit class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Unit class and at the risk of the Unit class only because the Unit class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Unit classes to a proportion of this risk.

Interest Rate Risk: The value of Units may be affected by substantial adverse movements in interest rates. When interest rates fall, the price of debt and preferred securities rises. During periods of falling interest rates, an issuer may also exercise its option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower yielding securities ('prepayment risk'). In relation to preferred securities, other circumstances, for example, a change in law may also cause an issuer to redeem securities earlier than scheduled.

When interest rates rise, the price of debt and preferred securities declines. In periods of rising interest rates, the average life of certain securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the securities duration, and reduce the securities value ('extension risk').

To the extent that a Fund uses hedging and other transactions to reduce its exposure to increases in interest rates, it could result in poorer overall performance of the Fund, as it results in costs to the Fund, and is dependent on the Fund's ability to predict correctly changes in interest rate relationships.

Credit Risk: In addition, the value of debt and preferred securities held by a Fund may be affected by factors such as the credit rating of the entity that issued the security and its maturity. Lower quality and longer maturity securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity securities.

Fixed income securities that are not investment grade are commonly referred to as high yield securities. These securities offer a potentially higher yield than other, higher rated securities, but they carry a greater degree of risk and are considered speculative by the major credit rating agencies.

In relation to preferred securities, credit risk may manifest itself not only as a decline in the security's price, or its failure, but also as a failure to make dividend payments when due. Preferred securities are subordinated borrowing to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities). There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

Credit Ratings Risk: The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

Convertible Bonds Risk: Convertible bonds, like any other fixed income security, are sensitive to changes in the rates of interest. Convertibles usually have call provisions and when market interest rates drop, there is an imminent risk that the issuing company will call the securities. The issuing company will then be able to refund convertibles with a cheaper debt. In addition to market risk, there are certain risks associated with an investment in a convertible bond such as default risk (risk that the company issuing a convertible security will be unable to repay principal and interest) and interest rate risk.

The Fund with convertible securities may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on the Fund's ability to achieve its investment objective because the issuer may force conversion before the Fund would otherwise choose to do so. This may impact on the value of the Fund's investment and as a result, the Net Asset Value of the Fund may be adversely affected.

Equity Risks: A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

Equity Related Securities Risk: A Fund may invest in instruments such as ADRs and GDRs, which in addition to the risks of investments in foreign securities described herein, may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Ownership of unsponsored ADRs and GDRs may not entitle the Fund to financial or other reports from the issuer, to which they would be entitled as the owner of sponsored ADRs and GDRs.

Market Capitalisation Risk: Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

Unlisted Securities Risk: A Fund may invest up to 10% of its Net Asset Value in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses.

Restricted Securities Risk: The Fund may invest in securities purchased in private placements and/or pursuant to Rule 144A of the United States Securities Act of 1933 (as amended) (the **1933 Act**) (if available), including Rule 144A Securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchanges Commission, provided that they are eligible investments for the Fund (i.e. they are not subject to the investment restriction outlined at paragraph 2.2 of Appendix A of this Prospectus*)*. Where relevant, investment in Rule 144A securities will be subject to the investment restrictions set out in Appendix A of the Prospectus. Rule 144A securities are securities that are not registered under the 1933 Act but can be sold to institutional investors in accordance with Rule 144A under the 1933 Act. These restricted securities may be subject to limitations on resale or transfer as a matter of law or contract. They are normally resold only to institutional investors. There can be no assurance that the Fund will be able to dispose of such restricted securities readily.

Real Estate Risk: There are specific risks associated with investing in the securities of companies in the real estate industry such as declines in the value of real estate, economic conditions and variation in property taxes, operating expenses and rental income.

REITS Investment Risk. The Fund may invest in securities issued by companies whose activities are real estate related. Risks associated with investing in the securities of companies in the real estate industry include the following; declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants and increases in interest rates.

In addition, equity REITS may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITS may be affected by the quality of credit extended. Equity and mortgage REITS are dependent upon management skills, may not be diversified and are subject to the risks of financing projects.

Such trusts are also subject to heavy cash flow dependency, defaults by borrowers, self- liquidation and the possibility of failing to qualify for tax-free pass-through of income under the U.S. Internal Revenue Code of 1986, as amended, and to maintain exemption from the U.S. Investment Trust Act of 1940, as amended.

The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is on average less than the typical stock quoted on the S&P 500 Index.

Investment in Collective Investment Schemes (CIS) Risk: A Fund may invest in one or more CIS including schemes managed by the Investment Manager or its affiliates. There may be additional costs involved when investing into these underlying CIS. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the Investment Manager's fees and other expenses which a Fund bears directly in connection with its own operations. On the other hand, where a commission (including a rebated commission) or any quantifiable monetary benefits is received by the Manager or Investment Manager in connection with an investment in the units of another CIS, this commission must be paid into the property of the relevant Fund.

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out in Appendix B).

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund.

To the extent that the relevant Fund is invested in CIS, the success of the relevant Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Investment Manager to select and allocate the Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

Liquidity Risk: Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected. Due to market conditions the Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Fund to liquidate at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

Concentration Risk: The investments of certain Funds may be concentrated in a single market or country. A Fund which pursues a concentrated investment strategy may be subject to a greater degree of volatility and risk than a Fund following a more diversified strategy. To the extent that a Fund concentrates its investments in a particular market or country, its investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions in that market or country. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable developments in that particular market or country in which the Fund invests.

Financial Markets and Regulatory Change Risk: The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Unit Trust's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Unit Trust. The Unit Trust and the Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

Changes in the UK Political Environment Risk: The UK withdrew from the EU on 31 January 2020. The negotiation of the UK's continuing relationship with the EU is likely to take a number of years. On 24 December 2020, the UK and the EU announced their agreement on a Trade and Cooperation Agreement (the “TCA”) which provisionally applied from 1 January 2021 and entered into force on 1 May 2021. The conclusion of the TCA provides a structure for EU-UK cooperation in the future. It does not necessarily create a permanent set of rules, but is a basis for an evolving relationship, with scope for increasing divergence or closer cooperation which may vary between different areas. The UK and the EU are likely to continue to negotiate trading or other agreements for a number of years. Therefore, the UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) continues to remain uncertain. This uncertainty means it is not possible to determine the full impact that the UK's departure from the EU and/or any related matters may have on the Trust and/or on a Fund or its investments. The uncertainty surrounding the UK's relationship with the EU and its withdrawal as a member state of the EU may adversely impact the Trust and/or a Fund and its investments (in particular those that relate to companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK).

Accounting, Auditing and Financial Reporting Standards Risk: The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

Eurozone Risk: In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, a Fund’s investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of a EU Member State from the Eurozone, may have a negative impact on the value of a Fund.

Epidemics and Pandemics Risk: Health crises caused by the outbreak of an infectious disease may exacerbate political, social and economic risks in certain countries. Outbreaks of infectious diseases may lead to changes in regional or global economic conditions and have a negative impact on the performance of the Funds. Such outbreaks may impact the markets in which a Fund invests or a Fund's investments more generally. This may also impact the timely calculation of a Fund's Net Asset Value, processing dealing in a Fund's Units or dealing in a Fund's underlying investments. The impact of infectious diseases in emerging developing or emerging markets may be greater due to less established health care systems.

Emergency Legislation Risk: Countries around the world may introduce emergency legislation to deal with the outbreak of epidemics and/or global pandemics to give governments wide-ranging powers to act in the best interest of their citizens in order to enforce public health measures. Many of these include the ability to order a "lock down" specific areas, cities or entire regions in order to enforce social distance measures or to isolation citizens in order to halt the spread of virus and disease. Such measures may have a severe impact on the ability of the Manager and its delegates, service providers, advisers and other third parties to whom tasks and actions have been outsourced to carry out their business.

Securities Lending Risk: There are risks associated with a Fund engaging in securities lending. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

Repurchase/Reverse Repurchase Agreements: A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

Reinvestment of Cash Collateral Risk: As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Capital Erosion Risk: Certain Funds and Unit classes may have as the priority objective the generation of income rather than capital. Investors should note that the focus on income and the charging of Investment Management Fees and any other fees to capital may erode capital and diminish the Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Fund or an applicable Unit class should be understood as a type of capital reimbursement.

Distribution Risk - Income Plus Units: Income Plus Units (as further described in the section entitled "Distribution Policy") are available in some Funds. Investors who subscribe into Income Plus Units should note that there is a risk that the net income received in a distribution period by the relevant Fund is greater or lesser than the Target Income for the Income Plus Units. As a result, the Manager may, in its absolute discretion, reduce or forego the distribution payable on the Distribution Date and/or pay such distribution out of the capital of the Income Plus Units. It should be noted that if distribution is made out of capital, this could result in the erosion of capital of those Income Plus Units. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that investor seek appropriate advice in this regard.

***Charges and Income from Capital Risk*:** For certain Unit classes, as outlined in the supplement to each Fund, fees and expenses may be charged to the capital of the relevant Unit class rather than its income. Where such fees and expenses are charged to capital, this will result in an increase in distributions available to Holders but also may have the effect of lowering the capital value of their investment.

Investors who subscribe into Income Plus Units should note that the Manager may, in its absolute discretion, declare a portion of the class capital as dividend. It should be noted that this could result in the erosion of capital of those Income Plus Units. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that Holders seek appropriate advice in this regard. In relation to investment in Income Plus Units, special consideration should also be given to the to the specific risk factors for this Unit class under the heading **Income Plus Units** of the Prospectus.

Redemption Risk: Large redemptions of Units in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

Paying Agent Risk: Holders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to/from the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Holder.

Subscription, Redemption and Conversion Currency Risks: Units in any Fund may be subscribed for or redeemed in any freely convertible currency not being the Base Currency of the Fund. Similarly, Holders may convert Units in one Fund to Units in another Fund and the Units in the two Funds may be denominated in different currencies. The costs of foreign currency exchange transactions and any related gains or losses in connection with any subscription, redemption or conversion will be borne by the Holder.

Unit Class Level Risk: While it is not intended to engage in any material investment management or trading activity at Unit class level within a Fund, other than for hedging purposes, it should be noted that any such activity may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant class.

No Secondary Market Risk: It is not anticipated that there will be an active secondary market for the Units, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when redemptions or the registration of transfers of Units are suspended, Holders will, however, be able to realise their investment in a Fund by redeeming their Units or by a transfer to an investor who an eligible transferee.

Operational Risks (including Cyber Security and Identity Theft Risks): An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, the Investment Manager or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

As part of its management services, the Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Holders. Similarly, service providers of the Manager, especially the Administrator, may process, store and transmit such information. The Manager, the Investment Manager, the Administrator and the Trustee (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Manager may be susceptible to compromise, leading to a breach of the Manager's network. The Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Manager to the Holders may also be susceptible to compromise.

The service providers of the Manager are subject to the same electronic information security threats as the Manager. If the Investment Manager or other service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Unit Trust and personally identifiable information of the Holders may be lost or improperly accessed, used or disclosed.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Manager and its delegates, the loss or improper access, use or disclosure of proprietary information may cause the Manager or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Fund and the Holders' investments therein.

It should be noted that investors in the Unit Trust will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

Settlement Risk: Each Fund will be exposed to credit risk on parties with which it trades and will bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. The Trustee may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Holders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Trustee will not be liable to the Fund or the Holders for such a loss, provided the Trustee has acted in good faith in making any such delivery or payment.

Tax Risk: The income and/or gains of the Unit Trust or Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Unit Trust or Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to the Fund, the Net Asset Value or the relevant Fund will not be restated and the benefit will be allocated to the existing Holders at the time of repayment. Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Units.

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. See "**Taxation**" below.

FATCA Risk: The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "**IGA**"). Under the IGA, an entity classified as a reporting Foreign Financial Institution (an "**FFI**") that is treated as resident in Ireland is required to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Holders). The IGA provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish reporting FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Unit Trust expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes. Although the Unit Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Unit Trust will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Unit Trust will require certain information from investors in respect of their FATCA status. If the Unit Trust becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by all Holders may be materially affected. All prospective investors / Holders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Unit Trust.

CRS Risk: Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations. The Unit Trust is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Unit Trust will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Unit Trust, or a person appointed by the Unit Trust, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. All prospective investors / Holders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Unit Trust.

Subscriptions/Redemptions Account Risk: The Unit Trust operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. Investors are advised to promptly comply with any subscription requirements, such as the provision of the relevant anti-money laundering documentation, as monies due to an investor as a result of redemption or dividend activity cannot otherwise be transferred to the investor. There is a risk for investors to the extent that monies are held by the Unit Trust in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Unit Trust) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Unit Trust.

Depositary Risk: If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Trustee is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Trustee is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Trustee is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Trustee is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Trustee will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Trustee in relation to the respective categories of assets and the corresponding standard of liability of the Trustee applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Trustee's liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that FDI traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

3.2 FDI and Securities Financing Transactions Risks:

General Risks: The use of FDI and Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. FDI may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of FDI involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the FDI may not correlate perfectly with the underlying asset, rate or index.

Investing in a FDI could cause the Fund to lose more than the principal amount invested. Also, suitable FDI transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of FDI are highly volatile. Price movements of FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of FDI also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several risks for the Unit Trust and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

Absence of Regulation; Counterparty Risk: In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC FDI lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") that aim to mitigate risks involved in investing in OTC FDI and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC FDI will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC FDI could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

Credit Risk and Counterparty Risk: The Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in FDI or Securities Financing Transactions. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Necessity for Counterparty Trading Relationships Risk: Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Investment Manager believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

Forward Trading Risk: Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

Foreign Exchange Transactions Risk: Where a Fund utilises FDI which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

Futures and Options Trading is Speculative and Volatile Risk: Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter FDI may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

Risks Associated with Swaps: A Fund may enter into swap agreements with respect to currencies, interest rates, credit defaults and financial indices. A Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements will be successful will depend on an Investment Manager's or a Sub-Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments.

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. As such, the Fund assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

Index Risk: If a FDI is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the FDI below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

Correlation Risk: The prices of FDI may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

Collateral Risk: Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

Margin Risk: A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names.

Liquidity Risk: Liquidity risk exists when a particular FDI is difficult to purchase or sell. If a FDI transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated FDI), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Liquidity of Futures Contracts Risk: Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

Legal Risk: The use of OTC FDI, such as forward contracts, credit derivatives, swap agreements, contracts for difference and Securities Financing Transactions, will expose the Funds to the risk that the legal documentation of the relevant contract may not accurately reflect the intention of the parties.

3.3 Emerging Markets Risks:

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

Accounting Standards Risk: In emerging markets, there is an absence of uniform accounting, auditing and financial reporting standards and practices.

Business Risks: In some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

Country Risk: The value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Currency Risk: The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Custody Risk*:* Custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

Disclosure Risk: Less complete and reliable fiscal and other information may be available to investors.

Legal Risk: The legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Market Characteristics/ Liquidity and Settlement Risks: In general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

High Yield and Distressed Securities Risk: Below investment grade debt securities, and investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty. In addition, below investment grade securities are subject to a greater risk of potential illiquidity with the market for these types of securities typically being much less liquid than the market for investment grade debt securities***.***

Political Risk: The risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

Tax Risk: The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

Frontier Markets Risk: Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's units must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

Russia Investment Risk: Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. Ownership of Russian securities is evidenced by entries in the books of a company or its registrar (which is neither an agent of, nor responsible to, the Trustee). No certificates representing ownership of Russian companies will be held by the Trustee or any of its local correspondents or in an effective central depository system. As a result of this system, as well as the uncertainties around the efficacy and enforcement of state regulation, a Fund could lose its registration and ownership of Russian securities through fraud, negligence or otherwise. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover losses due to theft, destruction or default while such assets are in custody.

In addition, in light of the current ongoing regional conflict in Europe, Russia has been the subject of economic sanctions imposed by countries throughout the world. Such sanctions have included, among other things, freezing the assets of particular entities and persons. The imposition of sanctions and other similar measures could, among other things, cause a decline in the value and/or liquidity of securities issued by Russia or companies located in or economically tied to Russia, defaults and downgrades in the credit ratings of Russian securities or those of companies located in or economically tied to Russia, devaluation of Russia’s currency, and increased market volatility and disruption in Russia and throughout the world. Sanctions and other similar measures, including banning Russia from global payments systems that facilitate cross-border payments, could limit or prevent a Fund from buying and selling securities (in Russia and other markets), significantly delay or prevent the settlement of securities transactions, and significantly impact a Fund’s liquidity and performance. Sanctions and other similar measures could also be imposed by Russia which may further impair the value and liquidity of securities globally (including Russian securities). Moreover, disruptions caused by the current ongoing regional conflict in Europe, including cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, may impact Russia’s economy and Russian issuers of securities in which a Fund invests.

Investing through Stock Connect Risks: If a Fund is permitted by its investment policy to invest on a regulated market in China, there are various means of the Fund creating exposure, including using ADR and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities (“Stock Connect Securities”) that are listed and traded on the Shanghai Stock Exchange (“SSE”) through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("SZSE") through the Hong Kong - Shenzhen Stock Connect program (“Stock Connect”). Unlike other means of foreign investment in Chinese securities, investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions apply to Stock Connect trading that could affect a Fund’s investments and returns. For example, the home market’s laws and rules apply to investors in the Stock Connect program. This means that investors in Stock Connect Securities are generally subject to PRC securities regulations, disclosure requirements of the China A Shares market, and SSE or SZSE listing and trading rules as appropriate, among other restrictions. Any changes in laws, regulations, rules and policies of the China A Shares market may affect the trading of a Fund. Further, an investor may not dispose of its Stock Connect Securities which were purchased through the Stock Connect by any means other than through Stock Connect, in accordance with applicable rules. In addition, the following risks apply:

Quota limitations Risk

Although individual investment quotas do not apply, Stock Connect participants are subject to daily aggregate investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities.

Differences in trading day Risk

Stock Connect is generally only available on business days when both the China and Hong Kong markets are open and when banking services are available in both markets on the corresponding settlement days. As a result, a Fund may not be able trade when it would be otherwise attractive to do so, and the Fund may not be able to dispose of its China A Shares in a timely manner.

Suspension Risk

Each of the Stock Exchange of Hong Kong Limited, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, a Fund's ability to access the PRC market (and hence its ability to pursue its investment strategy) will be adversely affected.

Clearing and settlement Risk

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. In the unlikely event that China Securities Depository and Clearing Corporation Limited defaults on its obligation to deliver securities / make payment, a Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and a Fund and its investors may suffer losses as a result. Neither a Fund nor the Investment Manager shall be responsible or liable for any such losses.

Legal / Beneficial ownership Risk

As HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law.

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign Investors like a Fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Shares are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available currently for a Fund. Hong Kong and overseas investors such as a Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians' own records such as client statements.

No protection by Hong Kong Investor Compensation Funds Risk

A Fund will not benefit from access to Hong Kong investor compensation funds, which are set up to protect against defaults of trades, when investing through Stock Connect. Investments in China A Shares may not be covered by the securities investor protection programs of the exchanges and, without the protection of such programs, will be subject to the risk of default by the broker. If the depository of the SSE and the SZSE defaulted, a Fund may not be able to recover fully its losses from the depository or may be delayed in receiving proceeds as part of any recovery process.

According to existing mainland China practices, a Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend Holders' meetings on its behalf.

Investing through Bond Connect: To the extent it is permitted by the investment policy of a Fund, it may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**").

Investing in China is subject to the risks of investing in emerging markets and may expose investors to the following risks:

CIBM Risk: CIBM is an OTC market separate to the two main stock exchanges in China. On the CIBM institutional investors trade sovereign and corporate bonds on a one-to-one quote-driven basis. The CIBM accounts for more than 95% of outstanding bond values of total trading volume in China. The CIBM is regulated and supervised by the PRC. Investors should be aware that China's bond market is still in development and trading on the CIBM may expose Funds to increased:

Liquidity Risk: The bid and offer spread of fixed income securities trading on the CIBM may be high. Funds may therefore incur significant trading costs and may even suffer losses when selling such investments. In the absence of a regular and active secondary market, the Funds may not be able to sell their bond holdings at prices the Investment Manager considers advantageous and may need to hold the bonds until their maturity date.

Settlement Risk: The transaction settlement method in the CIBM is for delivery versus payment of security by the counterparty. Where the counterparty does not perform its obligations under a transaction, the Funds may sustain losses.

Bond Connect Risk: Bond Connect is a novel trading program in China. Because these laws, regulations and rules governing the Bond Connect program are recent, their interpretation and enforcement involve significant uncertainty. Any changes in laws, regulations and policies of the China bond market or rules in relation to Bond Connect may affect prices and liquidity of the relevant CIBM bonds and there is no assurance that the change will not made in a way prejudicing the interests of the Fund. Moreover, Bond Connect and its technology and risk management capability have only a short operating history. There is no assurance that the systems and controls of the Bond Connect program will function as intended or whether they will be stable or adequate.

Investment in the CIBM under the Bond Connect programme is subject to different regulatory requirements and procedures from investment in the CIBM via a direct access. For example, unlike the investment via a direct access to the CIBM, the Fund's investment in the CIBM bonds under the Bond Connect will not involve an onshore settlement agent and will be held by the Central Moneymarkets Unit of the Hong Kong Monetary Authority ("**CMU**") as the nominee holder, opening nominee account(s) with the China Central Depository & Clearing Co., Ltd ("**CCDC**") and the Shanghai Clearing House ("**SHCH**") respectively. While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognised under the relevant PRC laws and regulations, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In addition, CIBM bonds are uncertificated and are held by CMU for its account holders.

Investing through QFI Regime Risks

The QFI regime, which allows QFIs to invest directly in certain securities in mainland China, is governed by rules and regulations promulgated by the relevant authorities in mainland China, including the China Securities Regulatory Commission, the State Administration of Foreign Exchange and the People's Bank of China and/or other relevant authorities. Investments through the QFI regime are required to be made through holders of a QFI licence.

In the event that the Fund invests via the QFI regime, investors should note that the Fund's ability to make such investments or to fully implement or pursue its investment objective and strategy are subject to the applicable laws, rules and regulations (including the then prevailing exchange controls and other prevailing requirements of the PRC including rules on investment restrictions and repatriation and remittance of principal and profits) in the PRC, which are subject to change and any such changes may have potential retrospective effect. Any changes to the relevant rules may have a material adverse impact on Holder's investment in the Fund.

In addition, there can be no assurance that the QFI Regulations will not be abolished. The Fund, which invests in the PRC markets through the QFI regime, may be adversely affected as a result of such changes.

Where the Fund invests in China A shares or other securities in the PRC through the QFI regime, such securities will be held by local custodian(s) ("**QFI Custodian**") appointed in accordance with QFI Regulations. The Fund investing via the QFI regime may incur losses where any of the key operators or parties (including QFI Custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities). In such event, the Fund investing via the QFI regime may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

Repatriations by QFIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. review on authenticity, submission of certain documents in respect of the repatriation etc). Completion of the repatriation process may be subject to delay.

There is no assurance that QFI Regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation may impact on the Fund's ability to meet redemption requests. In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

Further, the QFI licence of a QFI licence holder may be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the QFI licence holder or for any other reasons. The Fund may suffer losses if the approval of the QFI licence is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading the relevant securities.

There are rules and restrictions under QFI Regulations, including rules on remittance of principal, investment restrictions and repatriation of funds which will apply to the QFI licence holder as a whole and not simply apply to the investment made for the account of the Fund. As parties other than the Fund may also invest through the QFI licence holder, investors should be aware that violations of the QFI Regulations on investments arising out of activities of such other parties could result in the revocation of or other regulatory action in respect of the QFI licence holder as a whole. Hence, the Fund may be adversely affected by other funds or clients investing through the same QFI licence holder.

PRC-Specific Risks

PRC Governmental, Economic and Related Consideration Risks

The PRC economy has been a planned economy since 1949. During the past 15 years, the PRC government has been reforming the economic systems of the PRC, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The operations and financial results of a Fund investing in the PRC could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

Corporate Disclosure, Accounting and Regulatory Standards Risks

PRC's disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies from OECD countries. Such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Fund will invest.

The lower level of disclosure, transparency and reliability of certain material information may impact on the value of investments made by a Fund and may lead the Investment Manager or other service providers of a Fund to an inaccurate conclusion about the value of the investments of the Fund.

Business Conditions and General Economy

The profitability of the issuers of the China A Shares could be adversely affected by the worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the on-balance sheet assets; and (b) a market downturn or worsening of the economy could reduce the income of such issuers.

Securities Markets

The PRC securities markets, including the SSE and the SZSE, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities market and activities by investors, brokers and other participants to that in certain OECD markets.

It is common for securities on PRC stock exchanges to suspend from trading or otherwise become an untradeable security as a result of routine corporate activity for a period of time. Where this occurs the affected securities may be fair value priced by the Investment Manager or its agent. In addition, in the case of a redemption, there may be additional delays in receiving cash proceeds in respect of any untradeable securities as at the relevant Dealing Day.

Volatility

The PRC stock market is still at its early stage of development and is still largely dominated by retail investors. Institutional investors contribute only a small percentage of the overall market turnover and investments. The A Share market is still very speculative where investors tend to trade frequently and have very short-term views. These factors have led to substantial price volatility in the PRC stock market and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect a Fund's Net Asset Value, the ability to redeem Units and the price at which the Units may be redeemed.

RMB Currency Risk

Renminbi is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC central government. If such policies or restrictions change in the future, the position of a Fund or its investors may be adversely affected.

PRC Tax Risks: The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Although the PRC has recently issued tax circulars to clarify how capital gains realised through Stock Connect should be taxed, there are still various detailed implementation issues not clarified or clarified without any published guidance. Given the uncertainty surrounding a Fund's potential PRC tax liabilities or reimbursement obligations, the Net Asset Value on any Dealing Day may not accurately reflect such liabilities. In addition investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact on the performance of the Fund during the period of such under-accrual or over-accrual and following any subsequent adjustments to the Net Asset Value. Redemption proceeds or distributions may be paid to Holders without taking full account of tax that may be suffered by a Fund, which tax will subsequently be borne by the Fund and affect the Net Asset Value of the Fund and the remaining Units in that Fund. In light of the uncertainty as to how gains or income that may be derived from investment in China will be taxed, the Manager reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the relevant Fund. Accordingly, the Net Asset Value and profitability of the Fund may be affected.

3.4 Asset Replication Strategy Funds (i.e. the Funds which utilise the Asset Replication Strategy) Risks:

Utilisation of the Asset Replication Strategy involves certain considerations stemming from the inherent characteristics of the techniques and instruments used therein. These include:

(a) The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements. Whether the Fund's use of swap agreements for EPM purposes will be successful will depend on the Investment Manager's or any Sub-Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of swap agreement counterparty.

(b) The Fund may act as both a protection buyer and seller in respect of a CDS. Where the Fund is the protection seller, the risk arises where a specified reference credit event occurs which obliges the Fund to pay the counterparty under the terms of the CDS. Where the Fund is the protection buyer, the risk arising is of counterparty default where a specified reference credit event occurs and the Fund looks to the counterparty for payment.

(c) The risk arising to the Fund in a TRS is credit risk in the event that the counterparty is unable to meet its payment obligations to the Fund under the terms of the TRS.

(d) If the other party to a repurchase agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the refuted repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

(e) Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral should the borrower fail to return the securities loaned or become insolvent. The Fund may pay lending fees to the party arranging the loan.

(f) Forward currency contracts will be entered into over-the-counter (OTC) directly between two counterparties acting as principals. Since an OTC contract is not guaranteed by an exchange or clearing house, a default on the contract would deprive the Fund of the benefits of the contract and force the Fund to cover its purchase or sale commitments, if any, at the current market price. The performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

CoCo Risk: While CoCos have some of the same risks as convertible bonds, as outlined above, there are also risks that are specific to this category of investment as described below.

(i) Unpredictable nature of the conversion events - the occurrence of a conversion event is inherently unpredictable and depends on a number of factors, many of which will be outside the issuer's control. Because of the inherent uncertainty regarding the determination of whether a conversion event will occur, it may be difficult to predict when, if at all, a CoCo will be converted. Accordingly, trading behaviour in the CoCos is not necessarily expected to follow trading behaviour associated with other types of convertible or exchangeable debt securities;

(ii) Subordinated instruments - CoCos will in the majority of circumstances be issued in the form of subordinated, convertible debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the CoCos against the issuer in respect of or arising under the terms of the CoCos shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer. In addition, if the CoCos are converted into the issuer's underlying equity securities following a conversion event, each holder will be subordinated due to their conversion from being the holder of a debt instrument to being the holder of an equity instrument.

(iii) Market value will fluctuate based on unpredictable factors - the value of CoCos is unpredictable and will be influenced by many factors including, without limitation, (i) the trading price of the relevant issuer's underlying equity securities; (ii) the creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (iii) supply and demand for the CoCos; and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

A Fund may not be able to control whether the issuer of a CoCo chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on a Fund's ability to achieve its investment objective because the issuer may force conversion before a Fund would otherwise choose to do so. This may impact on the value of the Fund's investment and as a result, the Net Asset Value of a Fund may be adversely affected.

There may for example be a conversion risk in the event of a change in an issuer's capital ratio below a predefined level. Conversion triggers and trigger levels for conversion for CoCos differ depending on the specific terms of issuance. The occurrence of a conversion trigger event is inherently unpredictable and depends on a number of factors, many of which will be outside the issuer's control. Further, in addition to the above and a possible call extension risk, CoCos are also subject to coupon cancellations. Coupon payments are entirely discretionary and may be cancelled by the issuer at any point, with any such cancelled payments being written off which can ultimately lead to a mispricing risk. CoCos may also be subject to regulatory or tax call provisions allowing the issuer to repurchase in the event of changes to the regulatory or tax environment. CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

The capital structure of CoCos is contrary to classic capital hierarchy and CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

The structure of CoCos is innovative yet untested. In a stressed environment, when the underlying features of CoCos are put to the test, it is uncertain how they will perform.

3.5 Sustainable Finance Disclosures Risks

SFDR and Taxonomy Regulation - Legal risk

The series of legal measures (including SFDR and Taxonomy Regulation) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) is being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) have been subject to implementation delays.

The Manager seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Manager may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Funds and their returns.

ESG Data reliance

The scope of SFDR and the Taxonomy Regulation covers a very wide range of financial products and financial market participants. It seeks to achieve additional transparency regarding how financial market participants integrate ESG risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Prospectus may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR and the Taxonomy Regulation in order to make sustainability-related information available.

Relative performance

An ESG Orientated Fund or a Sustainable Investment Fund may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics or pursue a sustainable investment objective.

None of the Manager, the Investment Manager, the Sub-Investment Managers or any other company within the Principal Financial Group® or the Trustee guarantees the repayment of capital or the performance of the Unit Trust or of any Fund. Investment decisions made on behalf of a Fund will not always prove profitable. Neither the Unit Trust, the Manager nor the Investment Manager shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Fund's investments.

3.6 **Specific Risks applicable to the Shariah Funds**

Reliance on Shariah Adviser

The Shariah Adviser does not monitor performance of the Shariah Funds rather the Shariah Funds' compliance with the Shariah Investment Guidelines.

The Shariah Adviser monitors the activities of the Shariah Funds to advise on the Shariah Fund's compliance with the Shariah Investment Guidelines. The Shariah Adviser has no discretionary, management or investment advisory responsibilities in respect of any Shariah Fund and shall only have the right or ability to require the Shariah Investment Manager to make changes in the portfolio of any Shariah Fund if such changes are required so that the Shariah Fund is in compliance with the Shariah Investment Guidelines. Since the Shariah Adviser's function is not to monitor performance of the Shariah Funds, prospective investors should be aware that compliance with the Shariah Investment Guidelines does not ensure that a Shariah Fund will not suffer a loss. The Depositary may need to rely on representations from the Shariah Investment Manager or the Shariah Adviser regarding a Shariah Fund's compliance with Shariah principles.

Shariah Compliance

The Shariah Funds and the investments for each Shariah Fund must be certified as "Shariah-compliant" based upon the determination of the Shariah Adviser. None of the Shariah Adviser, the Shariah Investment Manager, the Depositary or their principals and affiliates makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of such Shariah compliance should change, none of the Shariah Adviser, the Shariah Investment Manager, the Depositary or its principals and affiliates accepts liability in relation to such change.

Prospective investors should not rely on any pronouncement of the Shariah Adviser on the compliance with Shariah of each Shariah Fund thereof and the investments in deciding whether to become a Unitholder in a Shariah Fund. Prospective Unitholders should consult their own Shariah advisers as to whether the relevant Shariah Fund and the investments of that Shariah Fund are compliant with Shariah principles. By becoming a Unitholder in a Shariah Fund, each Unitholder shall be deemed to have represented that they are satisfied that the relevant Shariah Fund and the investments of that Shariah Fund will not contravene Shariah principles.

Although the Shariah Investment Manager intends to observe the Shariah Investment Guidelines at all times in relation to the Shariah Funds only, no such assurance can be given, as there may be occasions when a Shariah Fund's investments do not fully comply with such criteria for factors outside the control of the Shariah Investment Manager. In such instances, the Shariah Adviser will propose a remedial action to be implemented by the Shariah Investment Manager and investors will be informed of purification liabilities, if any, resulting from the Shariah non-compliant investments.

Sukuk Investment Risk

Price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates falls. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have less price risks than Sukuk with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs. Sovereign Sukuk ("Sovereign Sukuk") are Sukuk issued or guaranteed by governments or government-related entities. Investment in Sovereign Sukuk issued or guaranteed by governments or their agencies and instrumentalities ("governmental entities") involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Sukuk may not be able or willing to repay the principal and/or return when due in accordance with the terms of such debt due to specific factors, including, but not limited to (i) their foreign reserves, (ii) the available amount of their foreign exchange as at the date of repayment, (iii) their failure to implement political reforms, and (iv) their policy relating to the International Monetary Fund. Sovereign Sukuk holders may also be affected by additional constraints relating to sovereign issuers which may include: (i) the unilateral rescheduling of such debt by the issuer and (ii) the limited legal recourses available against the issuer (in case of failure of delay in repayment).

The foregoing Special Investment Considerations and Risks do not purport to be a complete explanation of all the risks and significant considerations in this Prospectus. Investors should seek professional financial advice before investing.

4 CHARGES AND EXPENSES

The Trustee will pay the management fee and the trustee fee described below from the assets of the Funds. Particulars of these fees, as well as any applicable preliminary charge, are disclosed in the Supplements and are more fully explained below.

Also disclosed below are details of other fees and expenses that may be paid by the Trustee from the assets of the Funds.

4.1 Management Fee

(a) The management fee (including any performance fee) currently charged in respect of each Fund and class of Units is disclosed in the Supplements, but may be increased by the Manager to up to 2% per annum of the Net Asset Value of each Fund (in total) on giving Holders and the Trustee not less than three months' notice.

(b) The management fee is currently calculated as a percentage of the Net Asset Value of each Fund, and is accrued every Business Day. The total management fee accrued in arrears at the end of each month is deducted from the Fund and paid to the Manager.

(c) If units of funds are being acquired which are managed by the Manager either directly or indirectly, or which are managed by a company related to the Manager by virtue of common management, control, or a direct or indirect interest of more than 10% of the capital or the votes, the Manager may not charge a preliminary charge in respect of any such investment only and may only charge a management fee reduced to 0.25% per annum of the value of such investment in respect of that investment.

(d) Notwithstanding Section 4.1 (a) and in relation to the Shariah Funds only, the Manager is entitled to a management fee which shall not exceed 0.03% per annum of the average Net Asset Value of the Shariah Funds, calculated as at each Valuation Point for the Shariah Funds and payable monthly in arrears. Where such management fee is charged, details will be set out in the Shariah Fund's relevant Supplement.

4.2 Administration Fee

In addition to the management fee, the Trust Deed permits the Manager to charge an administration fee of up to 0.15% per annum of the Value of the Units in the Funds for administering the Unit Trust. Please see the relevant Supplements for more information.

The fee is calculated as a percentage of the Net Asset Value of each relevant Class and is accrued every Business Day, and the total accrued amount is paid monthly in arrears. All fees and expenses payable to the Administrator in respect of the administration services it provides to the Manager (see "**Management of the Unit Trust**" below) will be met by the Manager.

4.3 Shariah Adviser Fee

The Shariah Adviser is entitled to an annual fee of up to US$3,000 per Shariah Fund (payable quarterly in arrears out of the assets of the relevant Shariah Fund).

4.4 Trustee Fee

Pursuant to the Trust Deed, the Trustee may retain for its own use out of each Fund a fee of up to 0.022% per annum of the Net Asset Value of the Units calculated on each Business Day during the month, accrued and deducted from the Fund the following month - subject to a minimum fee of US$15,000 per annum which may be waived. The fee currently charged by the Trustee per Fund is disclosed in the relevant Supplement

4.5 Preliminary Charge

The Manager may add a preliminary charge of up to 6% (or a higher amount approved by Extraordinary Resolution) to the issue price of Units. This amount may be retained by the Manager and used to pay commission to authorised intermediaries. It is the Manager's present intention that the preliminary charge will not, until further notice, exceed 5%. The Manager may differentiate between applicants as to the amount of the preliminary charge.

4.6 Sub-custody Fees

Sub-custodians will be paid a fee at normal commercial rates and such fee shall be paid out of the Fund. The level of sub-custodian fees and expenses will vary depending on the investment profile of the Fund including, in particular, the nature of the securities markets in which the Fund invests, the size of the Fund and the amount of trading in the assets of the Fund. Such fees will be charged at normal commercial rates and will only be reimbursed from a Fund where they are less than 0.50% per annum of the Net Asset Value of the Fund. The Manager will pay any fees that exceed this level.

4.7 Other Fund Expenses

The Trustee will pay other charges and expenses of operating the Funds directly from the assets of the Funds. Such expenses include the costs of acquiring and disposing of assets (including any taxes or stamp duty, and brokerage and commissions), transactional fees of the Trustee as may be agreed by the Manager in relation to transactions involving the whole or part of the Funds, legal and audit fees and expenses, Directors’ fees, the cost of preparing, translating, printing and distributing Fund reports, accounts, the Prospectus, PRIIPs KIDs or KIIDs, or any supplementary information documentation, publishing of prices and other Funds' information, registration fees and other expenses due to supervisory authorities and local, regulatory and tax representatives appointed in various jurisdictions, and costs incurred as a result of periodic updates of the Prospectus or changes in the law or the introduction of any new law, as well as any other expenses incurred by the Manager and the Trustee wholly and exclusively in the performance of their duties under the Trust Deed and the Prospectus (including any fees payable to paying agents, representatives and other third parties which fees will be at normal commercial rates).

All administration and investment advisory fees will be paid by the Manager and will not be paid from the assets of the Funds. In addition, the Manager may choose to pay any amount of service brokerage or other commissions from its own assets (including management fees or preliminary charges) to distributors or other third parties.

For certain Funds, as disclosed in the Supplement for each Fund, the Manager is entitled to receive from the Fund a Performance Fee in addition to the other fees and expenses listed above.

4.8 Allocation of Fund Expenses

All fees, duties, charges and expenses will be charged to the Fund or class of Units of a Fund in respect of which they were incurred. Where an expense is not considered by the Trustee to be attributable to any one Fund or class of Units of a Fund, the expense will normally be allocated by the Trustee to all Funds or classes of Units of a Fund pro rata to the Net Asset Values of the Funds or attributable to the classes of Units.

4.9 Commission and Brokerage

The Manager and Connected Persons of the Manager are entitled under the Trust Deed to charge commissions and/or brokerage on transactions effected by them as agents for the Unit Trust provided always that the Manager and any such Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any Connected Person) paid or payable from any broker or dealer in respect of any business placed with a broker or dealer by the Manager or any Connected Person for or on behalf of the Unit Trust. Any such cash commission rebate received from such broker or dealer shall be paid into the assets of the relevant Fund. See Appendix C.

4.10 Fund Establishment Costs

The costs of establishment of, and the initial issue of Units in each Fund, to the extent that they are not borne by the Manager, will be borne by the relevant Fund and amortised over the first five years of the Fund.

4.11 This Prospectus

The costs incurred in preparing and printing this Prospectus and the Supplements will be allocated to all Funds pro rata to the Net Asset Values of the Funds.

4.12 Units Outstanding

Details of the Units in issue in each Fund are available from the Administrator and the Hong Kong Representative.

5 SUBSCRIPTION FOR UNITS

5.1 Investing in the Funds

To invest in the Funds, applicants should first send a completed Application Form to the Administrator (non-Hong Kong applicants), or to the Hong Kong Representative (Hong Kong applicants[1]) by mail or facsimile. Where an original and valid Application Form has been received and is in order, subsequent applications for Units may be made using faxed instructions (without forwarding the original) or via straight-through processing ("STP") .

If an instruction which relates to an initial investment into a Fund is sent by facsimile or STP, the original Application Form and supporting anti-money laundering documents must still be mailed promptly to the Administrator or the Hong Kong Representative as the case may be. However, all instructions received by facsimile will be treated as definitive orders, even if not subsequently confirmed in writing, and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative.

Application Forms that are incomplete will not be accepted until all the relevant information is obtained.

5.2 Adding to an Investment

The Administrator and the Hong Kong Representative can accept additional subscriptions from Holders using the payment methods identified in "**Processing of Applications**" below when accompanied by a completed instruction. If an application is made by letter, the letter must be signed and dated by or on behalf of the Holder by appropriate authorised signatories and include all relevant details in respect of the additional investment (i.e. account number, name of Holder, the Fund(s) and class of Units selected for the additional subscription (name of fund, Unit class); the fund identifier of the Fund or Unit class to which subscription is to be made (i.e. ISIN), the amount to be invested in each Fund or the number of Units applied for, and the contact details of the person who should be contacted should the Administrator have any queries regarding the trade instruction.

All applicants whose initial application to invest in the Funds was made pursuant to an Application Form attached to a prospectus for the Unit Trust dated 1 February 2011, or earlier, must also acknowledge in the letter that they:

(i) have received this Prospectus and the relevant Supplement(s), and PRIIPs KID or KIID, and that they are investing pursuant to the terms of the Prospectus and subject to the Trust Deed; and

(ii) have reached majority pursuant to the legislation of their country of usual residence; and

(iii) that they are not;

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[1] ***Hong Kong applicants may submit requests directly to the Administrator on public holidays in Hong Kong.***

(A) a person or entity to whom offers or sales of Units of the relevant Fund may not be made;

(B) prohibited from holding Units of the relevant Fund, as provided in this Prospectus; nor

(C) acting on behalf of any person or entity to whom offers or sales of Units of the relevant Fund may not be made or who is prohibited from holding Units of the relevant Fund as provided in this Prospectus.

Additional subscription requests received by facsimile or STP will be treated by the Administrator and the Hong Kong Representative as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative. Requests that are incomplete will not be accepted until all the necessary information is obtained.

5.3 Distribution and Applications / Subscriptions

Applicants may also submit subscription requests to distributors authorised by the Manager to distribute Units in the Funds, for onward transmission to the Administrator or the Hong Kong Representative.

Please note however that the Manager bears no responsibility for any failure, delay or default by a distributor in forwarding any such request to the Administrator or the Hong Kong Representative. A request is not valid until it has been received by the Administrator or the Hong Kong Representative on behalf of the Manager.

No money should be paid to any distributor or other salesman of Units or intermediary in Hong Kong who is not licensed or registered to carry on Type I regulated activity under Part V of the Hong Kong Securities and Futures Ordinance.

Investors making applications via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

At the date of this Prospectus, only the Administrator and the Hong Kong Representative are authorised to act as agent of the Manager to sell Units in the Funds.

5.4 Minimum Investment Amounts

The Manager may establish minimum initial and additional investment amounts that must be invested by an applicant or held by a Holder in each class of Units in a Fund. Where applicable, these minimum amounts are disclosed in the Supplements.

5.5 Processing of Applications / Subscriptions

Complete and valid subscription requests received by the Administrator (non-Hong Kong applicants) or the Hong Kong Representative (Hong Kong applicants) before the Dealing Deadline on a Dealing Day will be processed by reference to the Net Asset Value per Unit plus any applicable preliminary charge for that Dealing Day. Subscription requests received after the Dealing Deadline will be processed by reference to the Net Asset Value per Unit issued on the next Dealing Day. Refer to "**Net Asset Value**" for more information. Refer to "**Charges and Expenses**" above and "**Net Asset Value**" below for more information.

Unless a Supplement specifies otherwise, the Dealing Deadline in relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

The Manager may, at its discretion, deem any trade instruction received after the Dealing Deadline to have been received before the Dealing Deadline, if the form was received after the Dealing Deadline, but before the Valuation Point, due to no fault of the applicant.

Subscription monies may be submitted by telegraphic transfer to the Subscriptions/Redemptions Account (see the Application Form for details). Upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Units.

Payment in respect of subscription must be received in cleared funds into the Subscriptions/Redemptions Account on or before the Settlement Date as outlined in the Supplement for the relevant Fund.

Please note the account name from which payment is made must include that of the applicant. Payments by telegraphic transfer should quote the applicant's name, name of bank, bank account number and confirmation note number (if one has already been issued), as well as the name of the Fund into which they are investing. Applicants are liable for any charges incurred in effecting telegraphic transfers.

The Trust Deed also permits the Manager to issue Units in consideration of the vesting in the Trustee of investments approved by the Manager.

Units will be issued in increments of up to one thousandth of a Unit. Subscription monies representing smaller fractions of a Unit will not be returned to the applicant but will be retained as part of the relevant Fund's assets.

The Manager has the discretion to reject in whole or in part any application for Units. If an application is rejected, the Administrator will return the balance of the application monies to the Applicant by telegraphic transfer (at the Applicant's risk and cost) within five Business Days of the rejection.

The Manager may require the transfer or redemption of any Units if the Manager or Trustee becomes aware that the Holder or beneficial owner thereof is not permitted to hold Units pursuant to applicable law or the terms of this Prospectus.

Applicants may be required to provide such information as is necessary under relevant anti-money laundering laws. Refer to "**Anti-Money Laundering**" below for more information.

5.6 Anti-Money Laundering and Counter Terrorist Financing Measures

The Manager is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021, as amended, and any guidance notes pursuant thereto (the "**Act**") which are aimed towards the prevention and detection of money laundering and terrorist financing.

The Act requires a detailed verification of the investor's identity including any persons purporting to act on the investor's behalf. This will include obtaining proof of address, source of funds or other additional information which may be requested from time to time, monitoring the business relationship on an on-going basis and where applicable, identifying and verifying the identity of the beneficial owner on a risk sensitive basis in order to comply with the obligations set out in Act and the European Union (Anti-Money Laundering: Beneficial Ownership Of Corporate Entities) Regulations 2019 (SI 110 of 2019), as may be amended. Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, their immediate family members and/or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence.

In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors.

The level of customer due diligence/verification documentation required will depend on the circumstances of each application following a risk based assessment of the applicant. For example, a detailed verification might not be required where the application is deemed low risk after consideration of a number of risk variables including jurisdiction, customer type and distribution channels. The Unit Trust will also take its business wide risk assessment into consideration when determining the risk categories of its investors.

The Manager or Administrator reserves the right to request whatever information is necessary to verify the identity of an applicant. In the event of any delay or failure by the applicant to produce any information required for verification purposes the Manager or the Administrator may refuse to accept the application and return all subscription monies to the bank account from which it was remitted, at the subscriber's expense and with no interest accruing thereon.

None of the Unit Trust, the Directors, the Manager, the Investment Manager or the Administrator shall be liable to the subscriber or Holder where an application for Units is not processed or Units are compulsorily repurchased or payment of redemption proceeds is delayed in such circumstances.

5.7 Settlement Period

Settlement of all subscription applications for all Funds must be made within three Business Days after the relevant Dealing Day (T+3).

Any Units issued prior to receipt of subscription monies will be cancelled at the discretion of the Manager if the subscription monies are not received by the Administrator on the required day. Notwithstanding the cancellation of the application, the Manager may charge the applicant for any resulting loss incurred by the relevant Fund.

Applicants should note that different settlement terms will apply where they purchase Investor Units in currencies other than the relevant Base Currency. Please see Dealing Currencies below.

5.8 Record of Investment

Units will be issued in non-certificated form. A purchase contract note will be issued and sent within thirty days of the Dealing Day on which the Units were issued. Registration of the Units comprised in the application will normally be effected within twenty-one days of the Administrator receiving cleared subscription monies and the relevant registration details. Ownership is recorded by an entry in the register for Units of the Fund and an account number is allocated to the investor. Regular statements setting out the Units held will be made available to investors, and will confirm ownership and entry in the register. The account number should be quoted in all communications relating to the Fund.

Contracts notes will be expressed in the currency of the Unit Class. Refer also to "**Reports and Accounts**" in Appendix D.

5.9 Anti-Dilution Levy in Relation to Applications for Units

The Manager may exercise its discretion to apply an anti-dilution levy in relation to applications for Units. The levy is an allowance for fiscal and other charges (estimated by the Administrator) that is added to the Net Asset Value per Unit of the relevant class to reflect the costs of investing application monies in underlying assets of the Fund.

The levy is intended to be used to ensure that all investors in the Funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

5.10 Redeeming Units

To redeem Units, Holders should send a written redemption request to the Administrator (non- Hong Kong Holders) or the Hong Kong Representative (Hong Kong Holders) by mail or facsimile.

All requests received by facsimile will be treated as definitive orders and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative.

Redemption requests that are incomplete or invalid will not be accepted until all the relevant information is obtained.

5.11 Distribution and Redemptions

Holders may also submit redemption requests to distributors authorised by the Manager to distribute Units in the Funds, for onward transmission to the Administrator or the Hong Kong Representative.

Please note however that the Manager bears no responsibility for any failure, delay or default by a distributor in forwarding any such request to the Administrator or the Hong Kong Representative. A request is not valid until it has been received by the Administrator or the Hong Kong Representative on behalf of the Manager.

Holders making applications for redemption via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

5.12 Processing of Redemptions

Complete and valid redemption requests received by the Administrator (non-Hong Kong applicants) or the Hong Kong Representative (Hong Kong applicants) before the Dealing Deadline on a Dealing Day will be processed by reference to the Net Asset Value per Unit for that Dealing Day. Requests received after the Dealing Deadline will be processed by reference to the Net Asset Value per Unit issued on the next Dealing Day. Refer to "**Net Asset Value**" below for more information.

Unless a Supplement specifies otherwise, the Dealing Deadline for each Fund is 10.00 a.m. (Dublin time) for the Administrator and 5.00 p.m. (Hong Kong time) for the Hong Kong Representative.

The Manager may, at its discretion, deem any request received after the Dealing Deadline to have been received before the Dealing Deadline, if the request was received after the Dealing Deadline, but before the Valuation Point, due to no fault of the Holder.

The request should be signed by appropriate authorised signatories by or on behalf of the Holder and include details of the Holder's account number, the relevant name for the Fund, the class of Units to which the request relates, the Fund or Unit class identifier (i.e. ISIN), the amount or value of Units to be redeemed and the contact details of the person who should be contacted should the Administrator have any queries regarding the trade instruction. No redemption proceeds will be paid unless the original investor Application Form and anti-money laundering documentation has been received by the Administrator.

Redemption proceeds will be paid in accordance with the details provided in the original Application Form provided by the Holder, unless the Holder otherwise advises the Administrator or Hong Kong Representative by written notice signed by the Holder or all joint Holders and certified by a bank, broker or other person acceptable to the Administrator.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Manager or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered an investor and instead will rank as a general unsecured creditor of the Unit Trust.

Subject to the other terms of this Prospectus, payments of redemption proceeds in the Base Currency will normally be settled on the third Business Day following the relevant Dealing Day (T+3), but in any event within ten Business Days of the relevant Dealing Deadline (T+10). Payment will only be made to an account in the name of the registered Holder. No payments to third parties will be made.

A redemption contract note confirming Units redeemed will be sent to the Holder within twenty one days of the relevant Dealing Day, once the Net Asset Value for the relevant Unit class has been published.

Anti-money laundering procedures prevent the Administrator issuing third party cheques to Holders.

Account details should be kept confidential at all times, as the Hong Kong Representative, the Administrator and the Manager are authorised to act on redemption instructions from any person purporting to be a Holder, and quoting the correct account number.

When a redemption request has been submitted by a Holder who is or is deemed to be an Irish resident, or is acting on behalf of an Irish resident, the Manager shall deduct from the redemption proceeds an amount which is equal to the tax payable by the Unit Trust to the Revenue Commissioners in respect of the relevant transaction.

5.13 Partial Redemptions and Minimum Investment Amounts

If a Holder requests a partial redemption which would reduce the value of the Holder's remaining investment below the minimum investment amount, the Manager may, at its discretion, decide to permit the partial redemption.

5.14 Restrictions on Redemptions

In certain circumstances, the Manager has the discretion to implement measures to ensure the Funds are sufficiently liquid to meet redemption requests.

The Manager is entitled, with the approval of the Trustee, to limit the total number of Units of a particular Fund redeemed on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to Units representing 10% of the Net Asset Value of the relevant Fund.

In this event, the limitation will apply pro rata so that all Holders wishing to redeem Units of a particular Fund on that Dealing Day redeem the same proportion of such Units. Units not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day.

The Trust Deed also contains provisions that permit the Manager to make an in specie distribution of investments to a Holder whose redemption request represents 5% or more of the Net Asset Value of a Fund. Any such distribution shall not be prejudicial to other Holders. However, the Holder may require the Manager to sell such investments on its behalf and pay it the proceeds of sale less any costs incurred in connection with such sale.

Further, the Manager may at its discretion, require up to 4 days' notice of each redemption request in respect of Institutional Units where such request (or series of requests from the one Holder) would result in the payment of an amount to that Holder which would in aggregate represent more than 5% of the Net Asset Value of the relevant Fund.

5.15 Anti-Dilution Levy in Relation to Redemption of Units

The Manager may exercise its discretion to apply an anti-dilution levy in relation to redemptions of Units. The levy is an allowance for fiscal and other charges, estimated by the Administrator, that may be deducted from the Net Asset Value per Unit of the relevant class to reflect the costs of disposing of underlying assets to fund redemptions from the Fund.

The levy is intended to be used to ensure that all investors in the Funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

5.16 Required Redemptions and Market Timing

The Funds are intended to be long-term investment vehicles and are not designed to provide Holders with a means of speculating on short-term market movements. Frequent purchases and redemptions by a Holder can disrupt the management of the Fund, negatively affect the Fund's performance, and increase expenses for all Holders. In particular, frequent trading (i) can force a Fund to hold larger cash positions than desired instead of fully investing the funds, which can result in lost investment opportunities; (ii) can cause unplanned and inopportune portfolio turnover in order to meet redemption requests, and; (iii) can increase broker-dealer commissions and other transaction costs as well as administrative costs for the Fund.

If an investor intends to trade frequently or use market timing investment strategies, they should not purchase Units in the Funds.

The Manager's policy is to discourage Holders from trading in a Fund's Units in an excessive manner that would be harmful to long-term Holders and to make reasonable efforts to detect and deter excessive trading.

Accordingly, the Manager, whenever it deems it to be appropriate and in the interests of Holders, reserves the right to reject any application for exchange and/or subscription of Units from Holders whom it considers to be associated with market timing activity at any time for any reason without prior notice. In this connection the Manager may combine Units which are under common ownership or control for the purposes of ascertaining whether Holders can be deemed to be involved in such activities. In addition, the Manager reserves the right to require any Holder to redeem all Units held in any Fund where the Manager is of the opinion that the Holder's trading in that Fund is designed to take advantage of short-term market movements.

In circumstances where a Fund is primarily invested in markets which are closed for business at the time a Fund is valued the Manager may allow for the Net Asset Value per Unit to be adjusted to reflect more accurately the fair value of the Fund's assets at the point of valuation during periods of market volatility in accordance with the procedures as outlined below in Appendix B. Investment schemes are usually valued on the basis of the last available price as at the time when the Net Asset Value of the property in the Fund is calculated. The time difference between the close of the Market developments which could affect the value of these assets can occur between the close of the relevant markets and the point of valuation.

The Funds' policies for deterring frequent purchases and redemptions of Units by Holders are intended to be applied uniformly to all Holders to the extent practicable. Some financial intermediaries, however, maintain omnibus accounts in which they aggregate orders of multiple investors and forward aggregated orders. Because these are received on an aggregated basis and because these omnibus accounts may trade with numerous fund families with differing market timing policies, the Funds are substantially limited in their ability to identify or deter excessive traders or other abusive traders. The Manager will use its best efforts to obtain the cooperation of intermediaries to identify excessive traders and to prevent or limit abusive trading activity, to the extent practicable. Nonetheless, the Funds' ability to identify and deter frequent purchases and redemptions of a Fund's Units through omnibus accounts is limited, and the Funds' success in accomplishing the objectives of the policies concerning frequent purchases and redemptions of Fund units in this context depends significantly upon the cooperation of the financial intermediaries.

5.17 Suspension of Redemption of Units

The Manager may at any time, with the approval of the Trustee, temporarily suspend the right of Holders to require the redemption of Units of any class and/or may temporarily delay the payment of any monies in respect of any such redemption during the following periods:

(i) any period when any Market on which a substantial part of the investments or other property for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays;

(ii) any period when dealings on any such Market are restricted or suspended;

(iii) the existence of any state of affairs as a result of which disposal of some or all investments or other property for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be effected normally or without seriously prejudicing the interests of Holders of that class;

(iv) any breakdown in the means of communications normally employed in determining the Net Asset Value of the relevant Fund or when, for any other reason, the value of any investments or other property for the time being comprised in that Fund cannot be promptly and accurately ascertained;

(v) any period when the redemption of investments or other property for the time being comprised in that Fund or the transfer of funds involved in such redemption cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange.

Holders who have requested redemptions of any Units will be notified of any such suspension and, unless withdrawn (but subject to the limitation referred to above), their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension will be notified to the Central Bank and to the competent authorities in the Member States where Units of the relevant class or classes are marketed immediately. Where feasible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

5.18 Dealing Currencies

Transactions may be effected in each Fund in the Base Currency, as well as in Euros, Hong Kong Dollars, US Dollars, and Sterling. Other currencies may also be available, and applicants should contact the Administrator or the Hong Kong Representative for further information if required.

Where an applicant wishes to invest non-Base Currency amounts in a Fund, the Manager will arrange for the application monies to be converted into the Fund's Base Currency, so that Units can be purchased in the Fund. If a Holder wishes to receive redemption proceeds from a Fund in a non-

Base Currency, the Manager will arrange for the proceeds to be converted into the currency selected, so that they can be paid as requested.

All non-Base Currency amounts received from applicants or to be paid on redemption will be converted at the expense and risk of the applicant or Holder, and the Manager is not responsible for the actual exchange rate that applies upon such conversion. Holders should be aware that gains and losses can occur on currency conversions, and that an exchange risk will arise over the period of the investment.

Investors in Hedged Units should be aware that the exchange rate used for the purpose of converting the proceeds of their trade to or from the relevant Base Currency is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investors in the relevant Hedged Unit class.

Applications from persons wishing to purchase Units using non-Base Currency amounts will be processed on the date of receipt of the application in the same way as applications received in the Base Currency.

5.19 Conversion of Units

Holders will be able to apply to convert on any Dealing Day all or part of their holding of Units in any Fund (the original class) into a class of Units in another Fund which are being offered at that time (the new class) by giving notice to the Administrator or the Hong Kong Representative. The general provisions and procedures relating to redemptions will apply equally to conversions. No conversion will be made, however, if it would result in the Holder holding a number of Units of the original class and/or the new class of a value which in aggregate is less than the minimum investment amount for the relevant class or classes of Units. Holders of Units of one class in a Fund may not, unless the Manager otherwise agrees, convert those Units into Units of another class in the same Fund.

The Manager has the power at its absolute discretion to convert a Holder's Units from one class to another in the same Fund, in the event that as a result of redemptions or conversions the value of the Holder's investment falls below the minimum investment amount specified by the Manager as attaching to that class of Unit.

As regards conversion of Units from one class to another the number of Units of the new class to be issued will be calculated in accordance with the following formula:

$$N = \frac{P(R \times CF)}{S}$$

Where:

N is the number of Units of the new class to be allocated

P is the number of Units of the original class to be converted

R is the redemption price per Unit of the original class for the relevant Dealing Day

CF is the currency conversion factor determined by the Administrator as representing the applicable rate of exchange on the relevant Business Day between the Base Currencies of the original class and the new class (where the Base Currencies are different)

S is the issue price per Unit of the new class for the relevant Dealing Day

A Holder of either Accumulation Units, Income Units or Income Plus Units may, upon notice to the Manager, elect to convert the whole or part of such Units into Units of the other type in the relevant Fund on the Dealing Day next following receipt of such notice by the Manager, at such rate of conversion as the Manager may decide based on the Net Asset Value per Unit of both types of Units in the relevant Fund on the relevant Dealing Day.

In addition, whereas the preliminary charge (current maximum 5%) and any other charges normally made on the issue of Units will not normally be made on a conversion, (unless the Fund the Holder is converting into has a higher preliminary charge than the Fund the Holder is converting from in which case the difference in preliminary charge will be the charge), the Manager is entitled to make any such charges at its discretion. In particular, if more than four conversions are made during a twelve month period, the Manager may, at its discretion, impose a service fee of up to 1% of the value of the Units converted into another class of Units, or Units of another Fund, for any subsequent conversions during the subsequent twelve month period.

The conversion facility is not intended for short-term trading or excessive conversion activity, which may interfere with portfolio management and have an adverse impact on all Holders. In order to limit any excessive conversion activity and to promote the best interests of the Funds, the Manager may reject a conversion request, and reserves the right to require any Holder to redeem all Units held in the Funds where the Manager is of the opinion that the Holder's trading in the Funds is designed to take advantage of short term market movements. The Manager may also decline to accept any further applications for Units from such persons.

5.20 Transfer of Units

Units will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided that:

(i) the transfer does not result in the transferor or the transferee holding a number of Units of a value which is less than the minimum investment amount for Units of the relevant class, unless the Manager at its absolute discretion specifically consents to such holding falling below the minimum investment amount for such Units;

(ii) the transferee is a person who is entitled to make an application for Units; and

(iii) the transferee (unless already a Holder) completes and furnishes an Application Form to the Administrator or the Hong Kong Representative.

Every instrument of transfer shall relate to one class of Unit only.

In the case of the death of one of joint Holders, the survivor or survivors will be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units registered in the names of such joint Holders.

If the transferor is or is deemed to be or is acting on behalf of an Irish resident, the Manager is entitled to redeem and cancel a sufficient portion of a transferor's Units as will enable the Unit Trust to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

5.21 Distribution Policy

The Trust Deed provides for the Manager to decide to make, and for the Trustee on each Distribution Date to make, distributions among Holders of Income Units and Income Plus Units in each Fund described herein out of:

(i) Net income (i.e. income less expenses); and/or

(ii) Realised gains net of realised and unrealised losses; and/or

(iii) Capital;

In addition to distributions made on a Distribution Date, for each Fund, the Manager has the power under the Trust Deed to decide to make interim distributions. Each distribution shall be in such amount (if any) as the Manager may determine to distribute in respect of the relevant Accounting Period, less the amount, if any, of any interim distribution already made in respect of such Accounting Period. Net income includes all interest, dividends and other amounts deemed by the Manager to be in the nature of income less the estimated expenses of the Fund applicable to that dividend period.

Distributions will normally only be paid to the extent that they are covered by net income received from underlying investments.

The Manager will reinvest any net income distribution to which a Holder of Income Units is entitled in the application for further Income Units of the relevant Fund unless distributions can be paid in cash in respect of those Units, and the Holder had previously made an effective request for any distributions be paid to them in cash. In order to be effective any such prior request must have been made at the time the Holder was applying for Units or by serving notice in writing on the Manager and the Trustee, which notice must have been received by the Manager and the Trustee at least seven Business Days before the next following Distribution Date to be effective in respect of distributions paid on that date. Investors should contact the Administrator or the Hong Kong

Representative to find out whether distributions can be paid in cash in respect of any given Fund or class of Units and the manner in which they are payable. In the event that the distribution is to be reinvested, further Income Units will be issued on the Distribution Date or, if that is not a Dealing Day, on the next Dealing Day at a price calculated in the same way as for other issues of Income Units of the relevant class on this date but without incurring any preliminary charge. There is, however, no minimum of such further Income Units which may be so subscribed. Accumulation Units make no declarations or distributions. All income earned proportionately by the Accumulation Unit holders is reinvested within the relevant Fund and its impact reflected each day in the price of Accumulation Units.

Where the amount of any distribution payable to an individual Holder is between 0 .01 and 10 US Dollars (or the equivalent in other currencies), that amount shall not be distributed but shall be automatically reinvested in the relevant Class of Units.

It is intended, although not guaranteed, that Income Plus Units will distribute a set level of net income (the "**Target Income**") on each Distribution Date. In order to calculate the Target Income the Manager and/or its delegates will, on a best efforts basis, calculate the amount of net income to be received by the relevant Fund over the course of the Accounting Period and calculate a pro-rated amount to be distributed to the Income Plus Units on each Distribution Date.

Investors should note the Manager may, in its absolute discretion, limit fluctuations in the level of distributions in an Accounting Period from one interim distributions to another so that Holders of Income Plus Units receive smoothed income distributions of roughly equal levels with the balance being paid up in the final distribution (if any).

To that end, the Manager may, in its absolute discretion, reduce or forego the distribution payable on the Distribution Date and/or pay such distribution out of the capital of the Income Plus Units in the event that the pro rata net income attributable to the Income Plus Units is less than the Target Income as at the Distribution Date. It should be noted that if distribution is made out of capital, this could result in the erosion of capital in those Income Plus Units. Net income attributable to Income Plus Units in excess of any Target Income shall not be distributed on the interim Distribution Date but shall be accumulated and retained as part of the relevant Fund.

The Manager is obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to an investor in the Unit Trust who is or is deemed to be an Irish resident or is acting on behalf of such a person and pay such sum to the Revenue Commissioners in Ireland.

Upon the expiry of the period of six years after the relevant Distribution Date, the Holder and any person claiming through, under or in trust for him shall forfeit any right to any distribution not paid, and such amount shall become part of the relevant Fund.

5.22 Net Asset Value

Applications for Units, redemptions of Units and conversions of Units are processed by reference to the Net Asset Value per Unit on the relevant Dealing Day. A preliminary charge may apply to applications for Units and an anti-dilution levy may apply to applications for, or redemptions of, Units (refer to "**Subscription for Units**" and "**Redemption of Units**" above for more information).

The Net Asset Value per Unit of each Fund is calculated on every Dealing Day as of the Valuation Point for that Fund. It is calculated by valuing the assets of the Fund, less all liabilities and attributing the relevant proportion of the Fund represented by one Unit of the class concerned. Units of each Fund will be issued and redeemed by reference to the Net Asset Value per Unit as described above. The assets of each Fund are valued according to the valuation techniques set out in Appendix B.

6 TAXATION

The following statements are by way of a general guide to potential investors and Holders only and do not constitute tax advice. Holders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Holders and potential investors should note that the following statements on taxation are based on advice received by the Manager regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Unit Trust will endure indefinitely.

6.1 Ireland

Ireland

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Units. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Units and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Units should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Units.

Taxation of the Unit Trust

The Manager intends to conduct its affairs so that the Unit Trust is an Irish tax resident. On the basis that the Unit Trust is Irish tax resident, the Unit Trust qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Unit Trust will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Units are held by non-exempt Irish resident Holders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

Taxation of non-Irish Holders

Where a Holder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Unit Trust will not deduct any Irish tax in respect of the Holder's Units once the declaration set out in the Account Opening Form has been received by the Unit Trust confirming the Holder's non-resident status. The declaration may be provided by an Intermediary who holds Units on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland.

If this declaration is not received by the Unit Trust, the Unit Trust will deduct Irish tax in respect of the Holder's Units as if the Holder was a non-exempt Irish resident Holder (see below). The Unit Trust will also deduct Irish tax if the Unit Trust has information which reasonably suggests that a Holder's declaration is incorrect. A Holder will generally have no entitlement to recover such Irish tax, unless the Holder is a company and holds the Units through an Irish branch and in certain other limited circumstances. The Unit Trust must be informed if a Holder becomes Irish tax resident.

Generally, Holders who are not Irish tax resident will have no other Irish tax liability with respect to their Units. However, if a Holder is a company which holds its Units through an Irish branch or agency, the Holder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Units (on a self-assessment basis).

Taxation of exempt Irish Holders

Where a Holder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("**TCA**"), the Unit Trust will not deduct Irish tax in respect of the Holder's Units once the declaration set out in the Account Opening Form has been received by the Unit Trust confirming the Holder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).

2. Companies carrying on life assurance business (within the meaning of section 706 TCA).

3. Investment undertakings (within the meaning of section 739B TCA).

4. Investment limited partnerships (within the meaning of section 739J TCA).

5. Special investment schemes (within the meaning of section 737 TCA).

6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).

7. Charities (within the meaning of section 739D(6)(f)(i) TCA).

8. Qualifying managing companies (within the meaning of section 734(1) TCA).

9. Specified companies (within the meaning of section 734(1) TCA).

10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).

11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).

12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).

13. The National Asset Management Agency.

14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.

15. Qualifying companies (within the meaning of section 110 TCA).

16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Units in the Unit Trust without requiring the Unit Trust to deduct or account for Irish tax.

Irish resident Holders who claim exempt status will be obliged to account for any Irish tax due in respect of Units on a self-assessment basis.

If this declaration is not received by the Unit Trust in respect of a Holder, the Unit Trust will deduct Irish tax in respect of the Holder's Units as if the Holder was a non-exempt Irish resident Holder (see below). A Holder will generally have no entitlement to recover such Irish tax, unless the Holder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

<u>Taxation of other Irish Holders</u>

Where a Holder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Holder (see above), the Unit Trust will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

Distributions by the Unit Trust

If the Unit Trust pays a distribution to a non-exempt Irish resident Holder, the Unit Trust will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Holder who is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of the distribution, in all other cases.

The Unit Trust will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Holder will have no further Irish tax liability in respect of the distribution. However, if the Holder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Holder may set off the deducted tax against its corporation tax liability.

Redemptions and transfers of Units

If the Unit Trust redeems Units held by a non-exempt Irish resident holder, the Unit Trust will deduct Irish tax from the redemption payment made to the Holder. Similarly, if such an Irish resident Holder transfers (by sale or otherwise) an entitlement to Units, the Unit Trust will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Holder on the Units being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Holder is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of the gain, in all other cases.

The Unit Trust will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Units, to fund this Irish tax liability the Unit Trust may appropriate or cancel other Units held by the holder. This may result in further Irish tax becoming due.

Generally, a Holder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Holder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Units will form part of its taxable income for self-assessment purposes and the Holder may set off the deducted tax against its corporation tax liability.

A Holder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Units.

'Eighth Anniversary' Events

If a non-exempt Irish resident Holder does not dispose of Units within eight years of acquiring them, the Holder will be deemed for Irish tax purposes to have disposed of the Units on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Unit Trust will account for Irish tax in respect of the increase in value (if any) of those Units over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Holder is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of the increase in value, in all other cases.

The Unit Trust will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Unit Trust may appropriate or cancel Units held by the Holder.

However, if less than 10% of the Units (by value) in the relevant Fund are held by non-exempt Irish resident Holders, the Unit Trust may elect not to account for Irish tax on this deemed disposal. To claim this election, the Unit Trust must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Holders (including the value of their Unis and their Irish tax reference numbers); and

2. notify any non-exempt Irish resident Holders that the Unit Trust is electing to claim this exemption.

If the exemption is claimed by the Unit Trust, any non-exempt Irish resident Holders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Unit Trust on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Units over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Units and any excess may be recovered on an ultimate disposal of the Units.

Unit exchanges

Where a Holder exchanges Units on arm's length terms for other Units in the Unit Trust or for Units in another Fund and no payment is received by the Holder, the Unit Trust will not deduct Irish tax in respect of the exchange.

Automatic exchange of information

Irish reporting financial institutions, which may include the Unit Trust have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the IGA and/or CRS (see below). The Unit Trust may request information from Holders from time to time as necessary for the Unit Trust to comply with its requirements under FATCA and the CRS, as the case may be, and such Holders are similarly obligated to inform the Holders of any change in circumstance that may subsequently impact any information previously provided.

FATCA

The Unit Trust is obliged to report certain information in respect of U.S. investors in the Unit Trust to the Revenue Commissioners who will the share that information with the U.S. tax authorities.

FATCA imposes a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (IRS) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 the governments of Ireland and the U.S. signed the IGA. Under the IGA, Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. investors in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) implementing the information disclosure obligations, Irish financial institutions such as the Unit Trust are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Unit Trust (and/or the Manager or Administrator or Investment Manager on behalf of the Unit Trust) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for Units in the Unit Trust. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Unit Trust holds any U.S. assets or has any U.S. investors.

If a Holder causes the Unit Trust to suffer a withholding for or on account of FATCA (FATCA Deduction) or other financial penalty, cost, expense or liability, the Manager may compulsorily redeem any Units of such Holder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such Holder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Unit Trust in respect of its assets, no assurance can be given in this regard. As such, Holders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

Common Reporting Standard (CRS)

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations, reporting financial institutions, which include the Unit Trust, are required to collect certain information on accountholders and on certain controlling persons in the case of the accountholder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Revenue Commissioners. The Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie

Stamp duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Units. If a Holder receives a distribution in specie of assets from the Unit Trust, a charge to Irish stamp duty could potentially arise.

Gift and Inheritance tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Units could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Units will be exempt from Irish gift or inheritance tax once:

1. the Units are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);

2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and

3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

<u>Meaning of terms</u>

Meaning of 'residence' for companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

Meaning of 'residence' for individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or

2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

Meaning of 'ordinary residence' for individuals

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2023 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2026.

Meaning of 'Intermediary'

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or

2. holds units in such an investment undertaking on behalf of other persons.

Foreign taxes

The Unit Trust may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Unit Trust may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Unit Trust may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Unit Trust obtains a repayment of foreign tax, the Net Asset Value of the Unit Trust will not be restated and the benefit will be allocated to the then-existing Holders rateably at the time of repayment.

6.2 United States

The Unit Trust intends to conduct its affairs such that neither it nor its investors will be subject to United States federal income tax solely as a result of the activities of, or investments in, the Unit Trust. The Unit Trust may, however, be subject to United States federal withholding tax upon its receipt of United States source interest or dividends, and the Unit Trust is not required to consider the effect of such withholding tax in making its investments.

Special rules may apply to investors that are former citizens of the United States, controlled foreign corporations as to the United States, foreign insurance companies that hold or are deemed to hold Units in connection with their United States businesses, foreign personal holding companies and corporations which accumulate earnings to avoid United States federal income tax. In particular, special rules govern the indirect ownership, through a controlled foreign corporation, of units in a **passive foreign investment company**.

6.3 Other Jurisdictions

As Holders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Holders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in a Fund and any investment returns from those Units. It is the Director's intention to manage the affairs of each Fund so that it does not become resident outside of Ireland for tax purposes.

The Unit Trust may be subject to withholding, VAT, transfer taxes or other similar taxes based on the investments made or the income or gains received by the Unit Trust and the Unit Trust is not required to consider the effect of such withholding tax in making investments. The Unit Trust makes no representation that the Unit Trust is eligible for or obligation to obtain treaty benefits for any investment in any country.

The above statements, which are intended as a general guide only, reflect the Manager's understanding of current tax law, regulation and practice applicable to investors beneficially holding their Units as investments in the above named jurisdictions. All investors should seek their own professional advice as to tax matters before investing.

7 MANAGEMENT OF THE UNIT TRUST

7.1 Manager

The Manager was incorporated in Ireland on 22 March, 1999 and is ultimately a wholly-owned subsidiary of Principal Financial Group Inc. The authorised share capital of the Manager is €2,000,000. The issued and paid up share capital of the Manager is €950,002. The Manager has the right under the Trust Deed to retire at any time upon the appointment of a successor as provided in the Trust Deed. It may be removed by the Trustee in certain circumstances, including where the Holders of not less than 50% of the Units in the Unit Trust for the time being in issue so request. The company secretary of the Manager is Matsack Trust Limited.

The Trust Deed contains provisions governing the responsibilities of the Manager and provides for its indemnification in certain circumstances, subject to exclusions in the case of fraud or negligence of which it may be guilty in relation to its duties.

The Manager has delegated certain duties to the Administrator, the Investment Manager and other parties, subject to the supervision and direction by the Directors of the Manager and subject to compliance with the requirements of the Central Bank. It is intended that the Unit Trust will be centrally managed and controlled in Ireland.

7.2 Directors of the Manager

Barbara Wenig

Barbara Wenig is the Executive Director and Head of Global Operations and Services for Principal Asset Management, the global investment management division for Principal Financial Group, based in New York. Barbara has responsibility for advancing strategic initiatives, managing relationships with board members, clients, and industry constituents, and engaging in new business efforts in support of Principal Asset Management's platforms globally. She also oversees client, fund, and investment operations for Principal Asset Management and sits on its operating committee. Prior to joining Principal, Barbara held a number of leadership roles at Neuberger Berman, most recently as managing director, head of client platform for Neuberger Berman, where she oversaw the operating platform and led strategic initiatives for the global client coverage organisation and sat on the firm's operating committee. She started her career in finance within the insurance industry.

Barbara earned a BA from Mercyhurst University in Erie, PA, majoring in finance and business administration. She also earned an MBA from The Ohio State University in Columbus, OH, and is a Chartered Financial Analyst charter holder. She serves on the board of Mercyhurst University as well as on The Ohio State University Fisher College of Business Finance Advisory Board.

Bronwyn Wright

Bronwyn Wright is an independent non-executive Director and former Citigroup Managing Director having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Citi Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business, which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing Citi's European fiduciary business, Bronwyn has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. Bronwyn holds a degree in Economics and Politics as well as a Master's degree in Economics from University College Dublin. Bronwyn is past chairperson of the Irish Funds Industry Association committee for Trustee Services. She is a former lecturer for the Institute of Bankers in the Certificate and Diploma in Mutual Funds. She is co-author of the Institute of Bankers Diploma in Legal and Regulatory Studies. She has written numerous industry articles, chaired and participated in industry seminars in Europe and the US. She was on an Executive Committee for the DIT School of Accounting and Finance postgraduate doctorate programme.

Donnacha Loughrey

Donnacha Loughrey is Chief Executive Officer (PCF-8) for the Manager with overall responsibility for the day-to-day management and steering of the business activities of the Manager. Prior to joining the Manager, Donnacha established and successfully scaled up Crossroads Capital Management ("CCM") as a reputable, independent third party alternative investment fund manager and UCITS management company in Ireland. Donnacha has held several pre-approval controlled functions ("PCF") under the Central Bank's fitness and probity regime and has held numerous fund board directorships. Prior to setting up CCM, Donnacha was Head of Alternative Investments and Third-Party Funds at KBC Fund Management Ltd and was a founding member of the alternative investments business. Previously he was employed an Associate Director at Goldman Sachs International within their highly regarded Global Strategy team and he began his career as an analyst within the Global Asset Allocation team at Merrill Lynch Asset Management. His professional qualifications include Chartered Alternative Investment Analyst Association and he is also a member of the Global Association of Risk Professionals. He has been an Associate member of the Chartered

Financial Analyst Institute, formerly as an Associate member of the Institute of Investment Management and Research since 1994. He received his Bachelor Business Studies from Trinity College Dublin in 1991 and holds a MSc in Investment & Treasury (Hons.) from Dublin City University Business School in 1994. He has established a large network of relationships with a variety of global asset managers and service providers and has been a regular contributor and presenter at funds industry conferences.

James Bowers

James Bowers is the Managing Director and Head of Global Wealth Platforms for Principal Asset Management. James is responsible for driving growth and managing operations for the international wealth business, and engages in all aspects of new business initiatives to deliver platform scale and profitability. He manages teams in London and Dublin. Prior to joining Principal in July 2022, James was Global Head of Product and Distribution Services with Janus Henderson Investors and has also held executive roles at several other global asset managers including Aviva Global Investors and NPI Asset Management. He has also held various fund board directorships in the UK and Luxembourg and been a contributing member to several fund industry bodies and committees.

James Firn

James Firn is an independent non-executive Director and was an employee of Russell Investments from 1988 until his retirement in June 2014. He spent eight years advising Russell Investment's US investment advisory, mutual fund, and ERISA businesses before relocating to London in 1996. During his 18 years with Russell Investments in London he managed several departments, including all the assurance functions, product development and marketing teams. He was the principal liaison with government, regulatory and industry groups in EMEA, and advised members of senior management in other regions in which the Russell Group operates on business, product, and legal matters. Currently James is a non-executive director on the boards of fund management, administration and distribution companies authorised by the Central Bank, the Financial Conduct Authority in the UK and CIMA in the Cayman Islands. He holds a law degree from Southern Methodist University, Dallas, Texas, and is a member of the Washington State, American and International Bar Associations as well as the UK's Institute of Directors.

Joel Pitz

Joel Pitz is senior vice president and controller for Principal Financial Group®, with leadership responsibilities for corporate accounting, treasury, tax, sourcing, and financial reporting. Joel joined the company in 1995 and has held several leadership positions during his 28 years. Most recently, he served as vice president and chief financial officer for Principal International where he was responsible for overseeing global finance and strategy for our operations across Asia and Latin America. Prior to his international work, he also held the corporate role of assistant vice president and chief accounting officer.

Joel currently serves on several boards, including Principal International Asia, Principal Global Investors Ireland, and the Greater Des Moines Partnership Economic Development Board. He earned his bachelor’s degree in accounting from the University of Iowa and is licensed in the state of Iowa as a certified public accountant.

John O'Connell

John O'Connell is an independent non-executive Director and the current Chairman of the Board. He has almost thirty years' experience in international investment and funds governance. John has sat on the boards of investment funds and banks in Ireland, the UK and mainland Europe and currently acts as director to a number of Irish domiciled funds and management companies. He has run multi-billion dollar portfolios across all global asset classes for an international client base and managed investment fund businesses operating in European markets. Having worked with a variety of fund promoters such as Citigroup, Bank of Tokyo and Irish Life (both as an executive and non-executive), he has a keen insight into the pressures and opportunities presented by the global funds industry. John is an honours graduate of Trinity College Dublin (Economics), a Fellow of the Chartered Institute of Securities and Investment (FCSI) and a qualified Member (IoD Dip) of the Institute of Directors.

7.3 Trustee

The Manager has appointed The Bank of New York Mellon SA/NV, Dublin Branch to act as the trustee and depositary to the Unit Trust. The Trustee is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Trustee is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Trustee is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank for conduct of business rules.

The Trustee is a wholly-owned subsidiary of The Bank of New York Mellon ("**BNY Mellon**"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2019, it had US$34.5 trillion in assets under custody and administration and US$1.8 trillion in assets under management

The duty of the Trustee is to provide safekeeping, oversight and asset verification services in respect of the assets of the Unit Trust and each Fund, and in accordance with the terms of the Trust Deed and the provisions of UCITS V, the Trustee shall carry out functions in respect of the Unit Trust including but not limited to the following:

(i) the Trustee shall, in respect of each Fund, hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Trustee's books and all financial instruments capable of being physically delivered to the Trustee;

(ii) the Trustee shall verify each Fund's ownership of all or any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Funds;

(iii) the Trustee shall ensure effective and proper monitoring of each Funds' cash flows;

(iv) the Trustee shall be responsible for certain oversight obligations in respect of the Unit Trust – see "Summary of Oversight Obligations" below.

In accordance with the Trust Deed, the Trustee may delegate duties and functions in relation to (i) and (ii) above, subject to certain conditions. A list of the Trustee's delegates can be found at Appendix F. The liability of the Trustee will not be affected by virtue of any such delegation.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Trustee.

Summary of Oversight Obligations

The Trustee is obliged to ensure, among other things, that:

(i) the sale, issue, redemption and cancellation of Units effected on behalf of the Funds are carried out in accordance with the conditions imposed by the Central Bank and the Trust Deed;

(ii) the value of Units is calculated in accordance with the Regulations and the Trust Deed;

(iii) in transactions involving the assets of the Funds, any consideration is remitted to it within the usual time limits;

(iv) each Fund's income is applied in accordance with the Regulations and the Trust Deed;

(v) the instructions of the Manager are carried out unless they conflict with the Regulations or the Trust Deed; and

(vi) it has enquired into the conduct of the Unit Trust in each Accounting Period and reports thereon to the Holders. The Trustee's report will be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Unit Trust. The Trustee's report will state whether in the Trustee's opinion each Fund has been managed in that period:

(A) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Trust Deed or the Regulations; and

(B) otherwise in accordance with the provisions of the Trust Deed.

(C) If the Unit Trust has not complied with a) or b) above, the Trustee will state why this is the case and will outline the steps that the Trustee has taken to rectify the situation. The oversight duties provided for above may not be delegated by the Trustee to a third party.

(D) In discharging its role, the Trustee shall act honestly, fairly, professionally, independently and in the interests of the Unit Trust, the Funds and the Holders.

7.4 Investment Manager

Pursuant to an investment advisers agreement (as amended and novated) dated 21 October 2019 (the "**Investment Manager Agreement**"), the Manager has appointed Principal Global Investors, LLC to manage all of the assets in the Funds. The Investment Manager is also the primary entity that promotes the Unit Trust.

7.5 Sub-Investment Managers

The Investment Manager may delegate some or all of its investment management responsibility for any of the Funds to Sub-Investment Managers. Details of any Sub-Investment Manager appointed by the Investment Manager in respect of a Fund but not paid directly out of the assets of the relevant Fund are available upon request and will be set out in the periodic reports for that Fund.

7.6 Shariah Investment Manager

The Manager may delegate some or all of its investment management responsibility for any of the Shariah Funds to a Shariah Investment Manager and such appointment will be disclosed in the relevant Supplement for the Shariah Fund.

7.7 Shariah Adviser

The Manager has appointed Amanie Advisors Sdn Bhd as its Shariah Adviser pursuant to Shariah Adviser Agreement.

Amanie Advisors Sdn Bhd is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It has been established with the aim of addressing the global needs for experts and Shariah scholars' pro-active input. One of the first global boutique Shariah advisory houses for Islamic Finance, Amanie Advisors Sdn Bhd was founded in 2005 by internationally renowned Shariah scholar Datuk Dr Mohd Daud Bakar. The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of Shariah law, corporate finance, accounting, product development, and education. Amanie Advisors Sdn Bhd is also a registered Shariah Advisers (Corporation) with the Securities Commission. Since 2005, Amanie Advisors Sdn Bhd has acquired fourteen (14) years of experience in the advisory role of unit trusts and as at 31 January 2019 it had advised more than 170 funds locally and globally.

Dr. Mohamed Ali Elgari (Chairman)

Dr. Mohamed Ali Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in Saudi Arabia. Dr Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them Journal of the Jurisprudence Academy (of the IWL), Journal of

Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organisation for Islamic Financial Institution (AAIOFI). He obtained his PhD in Economics from the University of California, USA.

Dr. Mohd Daud Bakar (Executive Member)

Dr. Mohd Daud Bakar is the Chairman of the Amanie Group and was previously the Deputy Vice-Chancellor at the International Islamic University Malaysia. He is currently the Chairman of the Shariah Advisory Council at the Central Bank of Malaysia, the Securities Commission of Malaysia, Labuan Financial Services Authority and the First Abu Dhabi Bank.

Dr. Mohd Daud is a Shariah board member of the Dow Jones Islamic Market Index (New York), Muzn Islamic Banking (The National Bank of Oman), BNP Paribas (Bahrain), Bank of London and Middle East (London), amongst other financial institutions. In the corporate world, he sits as Board Director at Sime Darby Berhad and a member of the PNB Investment Committee. He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM).

He holds two degrees namely Bachelor of Shariah (Fiqh wa Usuluhu) from Kuwait University and Bachelor of Jurisprudence (external) from University of Malaya, Malaysia and PhD from University of St. Andrews, Scotland.

Dr. Muhammad Amin Ali Qattan

Dr. Qattan is a highly regarded Shariah Scholar and is currently the Director of Islamic Economics Unit, Centre of Excellence in Management at Kuwait University.

Not only is he an accredited trainer in Islamic Economics, he is also a lecturer as well as a prolific author of texts and articles on Islamic economics and finance. He also serves as the Shariah advisor to many reputable institutions such as Ratings Intelligence, Standard & Poors Shariah Indices, Al Fajer Retakaful amongst others. He obtained B.A. Islamic Economics from Al-Imam University, Riyadh, Saudi Arabia and Ph.D. Islamic Banking, Birmingham University, United Kingdom

Dr. Osama Al Dereai

Dr Osama Al Dereai is a renowned Shariah scholar and has extensive experience in teaching, consulting and research in the field of Islamic finance.

Dr Al Dereai is a Shariah board member of various financial institutions which include the First Leasing Company, Barwa Bank, First Investment Company and Ghanim Al Saad Group of Companies amongst others. He received his B.Sc. Hadith Al Sharif, International Islamic University of Medina, MA from International Islamic University Malaysia and he also holds PhD in Islamic Transactions from University of Malaya, Malaysia.

7.8 Administrator

The Administrator is a designated activity company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation.

The duties and functions of the Administrator, will include, inter alia, the calculation of the Net Asset Value and Net Asset Value per Unit of each Fund, the provision of facilities for the certification and registration of Unit, the keeping of all relevant records and accounts of the Unit Trust as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, assisting the Auditors in relation to the audit of the financial statements of the Unit Trust and preparing such other reports, accounts and documents as may from time to time be required in relation to the Unit Trust and the Funds of the Unit Trust.

7.9 Conflicts of Interest

Each of the Manager, the Administrator, the Trustee, the Investment Manager and the Sub-Investment Managers (each a "**Connected Person**") may in the course of their businesses have conflicts of interest with the Unit Trust. Each Connected Person will, however, have regard in such event to its obligations to act in the best interests of Holders when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly.

The Investment Manager will have regard in such event to its obligations under the Investment Manager Agreement and, in particular, to its obligations to act in the best interests of the Unit Trust and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. Each of the Sub-Investment Managers will have regard in such event to its obligations under the Sub-Investment Investment Manager Agreement and, in particular, to its obligations to act in the best interests of the Unit Trust and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. The Administrator will have regard in such event to its obligations under the Administration Agreement. The Trustee will have regard in such event to its obligations under the Trust Deed.

Please also refer to the section in Appendix C entitled "Portfolio Transactions, Manager's Unit Dealing and Manager's Remuneration Policy".

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Unit Trust.

APPENDIX A: INVESTMENT RESTRICTIONS

Investments may only be made as permitted by this Prospectus and the Regulations and subject to any restrictions and limits set out in this Prospectus and the Regulations. These restrictions include the following provisions:

1 **Permitted Investments**

Investments of each Fund are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an Member State or non-Member State (and which in each case is listed in Appendix E).

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments other than those dealt on a regulated market.

1.4 Units or shares of UCITS.

1.5 Units or shares of AIFs.

1.6 Deposits with credit institutions.

1.7 FDI.

2 **Investment Limits**

2.1 A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 above.

2.2 A Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulations 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by each Fund in certain U.S. securities known as Rule 144A securities provided that:

(a) The relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchanges Commission within one year of issue; and

(b) the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

2.3 A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 Subject to the prior approval of the Central Bank, the limit of 10% in 2.3 is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.

2.5 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6 The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3

2.7 A Fund shall not invest more than 20% of its assets in deposits made with the same body.

2.8 The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:

(a) investments in transferable securities or money market instruments;

(b) deposits, and/or

(c) counterparty risk exposures arising from OTC derivative transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

2.12 A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member States or public international bodies of which one or more Member States are members or any of the following:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are investment grade), Government of India (provided the issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development, (the World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and Export-Import Bank.

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

3 **Investment in Collective Investment Schemes (CIS)**

3.1 A Fund may not invest more than 20% of its Net Asset Value in any one CIS.

3.2 Investment in AIFs may not, in aggregate, exceed 30% of its Net Asset Value.

3.3 The CIS are prohibited from investing in more than 10% of net assets in other open-ended CIS.

3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, that Manager, or other company may not charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other CIS.

3.5 Where by virtue of an investment in the units of another CIS, the Manager or Investment Manager receives a commission on behalf of the Fund (including a rebated commission) the Manager or Investment Manager shall ensure that the relevant commission is paid into the property of the Fund.

4 **Index Tracking UCITS**

4.1 A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Requirements and is recognised by the Central Bank.

4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

5 **General Provisions**

5.1 The Manager acting in connection with all of the CISs it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 Each Fund may acquire no more than:

(a) 10% of the non-voting shares of any single issuing body;

(b) 10% of the debt securities of any single issuing body;

(c) 25% of the units of any single CIS;

(d) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in 5.2(b) to 5.2(d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

(a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(b) transferable securities and money market instruments issued or guaranteed by a non-Member State;

(c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

(d) shares held by each Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.1, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, 5.5 and 5.6 are observed;

(e) shares held by a Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Units at Holders' request exclusively on their behalf.

5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of its authorisation, provided it observes the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Holders.

5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or FDI.

5.8 A Fund may hold ancillary liquid assets.

6 **Financial Derivative Instruments (FDIs)**

6.1 A Fund's global exposure relating to FDI must not exceed its total Net Asset Value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Requirements. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Requirements).

6.3 A Fund may invest in OTC FDI provided that the counterparties to the OTC FDI are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

APPENDIX B: VALUATION TECHNIQUES

1 The Net Asset Value of the Funds shall be calculated by or on behalf of the Manager on each Dealing Day by ascertaining the value of the assets of the Funds at the Valuation Point on such Dealing Day and deducting from such amount the liabilities of the Funds on such Dealing Day.

2 The assets of the Funds will be valued as follows:

(a) assets listed or traded on a stock exchange or over-the-counter market (other than those referred to at (g) and (h) below) for which market quotations are readily available shall be valued at the closing or last known market price which for the purposes of the Unit Trust shall be understood to means the mid-price or, if unavailable or unrepresentative, the last quoted trade price on the principal exchange or market for such investment at the Valuation Point provided that the value of any investment listed on a stock exchange or over-the-counter market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may, with the approval of the Trustee, be valued taking into account the level of premium or discount as at the date of valuation of the investment.

(b) If for specific assets the mid-prices or the last quoted trade prices do not, in the opinion of the Manager, reflect their fair value, or are not available the value of the security is its probable realisation value which must be estimated in care and good faith. The asset may be valued by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the asset can be valued by any other means provided that the value is approved by the Trustee.

(c) if the assets are listed or traded on several stock exchanges or over-the-counter markets, the mid-price on the stock exchange or over-the-counter market which, in the opinion of the Manager, constitutes the main market for such assets will be used;

(d) in the event that any of the investments are not listed or traded on any stock exchange or over-the-counter market, such securities shall be valued at their probable realisation value which must be estimated in care and good faith. The asset may be valued by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the asset can be valued by any other means provided that the value is approved by the Trustee. Such probable realisation value will be determined;

(i) by using the original purchase price;

(ii) where there have been subsequent trades with substantial volumes, by using the last traded price provided the Manager in consultation with the Investment Manager considers such trades to be at arm's length;

(iii) where the Manager in consultation with the Investment Manager believes the investment has suffered a diminution in value, by using the original purchase price which shall be discounted to reflect such a diminution;

(iv) if the Manager in consultation with the Investment Manager believes a mid-quotation from a broker is reliable, by using such a mid-quotation or, if unavailable, a bid quotation.

(e) Due to the nature of such unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager;

(f) cash and other liquid assets will be valued at their face value with interest accrued, or less debit interest, where applicable;

(g) units or shares in open-ended collective investment schemes will be valued at the latest available net asset value; units or shares in other collective investment schemes will, if listed or traded on a stock exchange or over the counter market, be valued at a mid-quotation from a broker (or if unavailable, a bid quotation, or, if unavailable, the latest quoted trade price,) or, if unavailable or unrepresentative, (as determined by the Manager in its absolute discretion,) the latest available net asset value as deemed relevant to the collective investment scheme;

(h) listed securities which are traded at a premium or discount on an over-the-counter market shall be valued, with the approval of the Trustee, by taking such premia/discounts thereon which shall be provided by an independent broker or market maker. However, the Manager may adjust the value of such investments if it considers such adjustment is required to reflect the fair value thereof;

(i) any value expressed otherwise than in the Base Currency of the Fund (whether of an investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Manager deems appropriate in the circumstances;

(j) exchange traded FDI will be valued at the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (d) above, i.e. being the probable realisation value estimated with care and in good faith by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the security can be valued by any other means provided that the value is approved by the Trustee. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same maturity could be undertaken, or, if unavailable, at the settlement price provided by the counterparty.

(k) Notwithstanding the provisions of paragraphs (a) to (j) above:-

    (i) The Directors or their delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's Requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank Requirements.

    (ii) Where it is not the intention or objective of the Directors to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.

(l) Notwithstanding the generality of the foregoing, the Directors may with the approval of the Trustee adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.

(m) If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation approved by the Trustee and the rationale/methodologies used must be clearly documented.

3 Foreign exchange rates used to value the assets of the relevant Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

APPENDIX C: PORTFOLIO TRANSACTIONS, MANAGER'S UNIT DEALING AND MANAGER'S REMUNERATION POLICY

The Manager, the Trustee, the Investment Manager and any Connected Person of any of them may, but are not obligated to purchase, sell, or deal in securities and other investments from, to, or with the Unit Trust provided such transactions are conducted at arm's length and in the best interest of Holders.

In connection with the selection of dealers and counterparties, the Investment Manager primarily seeks to obtain the best overall terms. In pursuing this objective, the Investment Manager considers all matters it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and executing capability of the broker or dealer and the reasonableness of the compensation, if any, received by the broker, dealer or underwriter (for the specific transaction or on a continuing basis.) Such transactions may not always result in the best net price available to the Manager in the securities market.

In effecting portfolio transactions, the Investment Manager will use its best efforts to select the dealer or counterparty most capable of providing the services necessary to obtain the best available terms. The full range and quality of services available will be considered in making these determinations. In those instances in which it is reasonably determined that more than one dealer or counterparty can offer the services needed to obtain the best available terms, consideration may be given to those dealers or counterparties that supply investment research to the Investment Manager. The Investment Manager may deem certain of these services useful in the performance of its obligations, but may be unable and will not attempt to determine the amount by which such services may reduce the expenses of the Funds. Not all of these services may be useful to the Funds.

The personnel of the Investment Manager who will be making the investment decisions on behalf of the Funds may manage money for other customers, employing investment strategies which may or may not be similar to those to be employed on behalf of the Funds.

The Investment Manager may, but shall not be required to, aggregate orders for the Funds with those of other customers and allocate an average purchase or sale price thereto. Different customers may have different tax, economic and other considerations which are applicable in determining whether a particular transaction is in their best interests. Accordingly, a decision by the Investment Manager to engage in a transaction on behalf of the Funds does not mean that a similar decision would be made by it on behalf of another customer.

Dealing Commission Arrangements

The Manager, Investment Manager, the Trustee and any of their Connected Persons may effect transactions by or through the agency of another person with whom the Manager, the Investment Manager, the Trustee or any of their Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager, the Investment Manager and any of their Connected Persons goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc. The benefits provided under such arrangements must be those which assist in the provision of investment services to the Unit Trust and the nature of these benefits is such that their provision can reasonably be expected to benefit a Fund as a whole and may contribute to an improvement in a Fund's performance and that of the Manager, the Investment Manager or any of their Connected Persons in providing services to a Fund but no direct payment is made for them but instead are provided as a result of trades placed by the Manager, the Investment Manager and any of their Connected Persons with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. In any event, the execution of transactions will be on best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such dealing commission arrangements will be disclosed in the periodic reports of the Funds.

To the extent services and other benefits are provided to any entity within the European Union as a result of trades placed by it, the arrangements will be consistent with the rules promulgated under MiFID II and MiFIR regarding the use of dealing commission.

Rebates

The Manager and any of its Connected Persons shall not retain the benefit of any cash commission or rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any of its

Connected Persons) paid or payable by any such broker or dealer in respect of any business placed with such broker or dealer by the Manager or any of its Connected Persons for or on behalf of any Fund. Any such cash commission rebate received from any such broker or dealer shall be held for the account of the relevant Fund.

Remuneration Policy

The Manager has a remuneration policy in place to ensure compliance with the relevant requirements under UCITS V and SFDR. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Funds. The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Trust Deed, and will be consistent with the requirements UCITS V and SFDR. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Unit Trust, the Funds and Holders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: https://www.principalam.com/eu/investment-products/ucits-funds . A copy of the remuneration policy may be obtained free of charge on request from the Manager.

Connected Persons

Connected Persons in relation to a company means:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes of that company; or

(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or

(c) any member of the group of which that company forms part; or

(d) any director or officer of that company or any of its connected persons as defined in (a), (b) or (c).

Transactions with Connected Persons

The Investment Manager may, but will be under no obligation to, make purchases, as agent on behalf of the Unit Trust, from Connected Persons of it. Any such transactions with a Connected Person will be effected in compliance with applicable law and at a price that reflects such person's normal mark-up or commission, which will be no less favourable to the Funds than the prices paid by other customers of such person.

The Investment Manager also may, but will be under no obligation to, effect hedging and other risk-management contracts on behalf of the Unit Trust with the Trustee or Connected Persons of the Trustee. Any such contracts will be consistent with the Trustee's or the relevant Connected Person's established investment policies and guidelines and on terms no less advantageous to the relevant Fund than those conducted at arm's length transaction with an unconnected third party and in the best interests of Holders.

In addition, any cash of the Unit Trust may be deposited, subject to the provisions of the Central Bank Acts 1942, as amended, with the Trustee or any Connected Person thereof or invested in certificates of deposit or banking instruments issued by the Trustee or any Connected Person thereof. Banking and similar transactions may also be undertaken with or through the Trustee or any Connected Person thereof.

There is no prohibition on transactions with the Unit Trust and the Manager, the Trustee, the Administrator, the Investment Manager, their delegates or sub-delegates and any associated or group company of any of them and none of them shall have any obligation to account to the Holders for any benefits so arising and any such benefits may be retained by the relevant party PROVIDED THAT any such transaction is made on terms no less favourable to the Unit Trust than could reasonably have been obtained by the Unit Trust if the transaction had been conducted at arm's length and, in the case of a sale or purchase of investments, is in the best interests of Holders and:

(a) a certificate has been obtained by the Manager, from a person approved by the Trustee as being independent and competent to give such certificate, to the effect that the terms of the transaction are no less favourable to the Unit Trust than could reasonably have been obtained by the Unit Trust if the transaction had been conducted at arm's length and in the best interests of Holders; or

(b) such transaction has been executed on an organised investment exchange on the best terms reasonably obtainable; or

(c) where (a) and (b) are not practical such transaction has been executed on the terms which the Trustee (or in the case of any such transaction entered into by the Trustee, the Manager) is satisfied confirm with the principle that such transaction be conducted at arm's length in the best interests of Holders.

PROVIDED FURTHER that where the Manager, the Trustee, the Investment Manager, the Administrator, their delegates or sub-delegates and any associated or group company of any of them acts as agent for the Unit Trust in respect of any such sale or purchase it shall only be entitled to receive from the Unit Trust such compensation or other benefit as it would be usual to receive for such transaction had it been conducted at arm's length and in the best interests of Holders.

The Trustee (or in the case of a transaction involving the Trustee, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Trustee (or in the case of a transaction involving the Trustee, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Trustee and/or its affiliates of other services to the Unit Trust and/or other parties. For example, the Trustee and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Trustee (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Unit Trust and/or other funds for which the Trustee (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Unit Trust and will treat the Unit Trust and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Unit Trust than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Trustee's functions from its other potentially conflicting tasks and by the Trustee adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Trustee).

Subject to compliance with any relevant law or regulation the Manager is entitled, but is under no obligation, to deal as principal in Units of the Unit Trust. Requests to subscribe or redeem Units may be executed as sales or, as the case may be, purchases by the Manager provided that the prices quoted by the Manager are not less favourable to the investor or redeeming Holder than would otherwise be the case.

APPENDIX D: GENERAL INFORMATION ON THE UNIT TRUST

Classes of Units within a Fund

A Fund may be maintained for more than one class of Units and additional classes of Units may be created relating to a previously established Fund. Holders and potential investors should refer to the most recent Supplement and/or class Supplement for details of the existing classes which will also be included in the Unit Trust's semi-annual and annual reports. The Manager and the Trustee may charge their services at different rates for different classes of Units within a Fund. The Manager may issue Accumulation Units, Income Units or Income Plus Units and classes may be hedged or unhedged. The details applicable to each class will be pre-determined and as described in the relevant Supplement.

Segregation of Assets

The assets of each Fund shall belong exclusively to that Fund, shall be segregated from the assets of each other Fund, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

Valuation of a Fund

Each Fund will be valued on each Dealing Day at the Valuation Point (being such time as is determined by the Manager and notified to the Trustee and as set out in the relevant Supplement) and Units may normally be purchased or realised by application to the Administrator or the Hong Kong Representative on a Dealing Day.

Reports and Accounts

The Unit Trust's year end is 30 September in each year. Audited accounts and a report in relation to the Unit Trust will be made available within four months after the conclusion of each annual Accounting Period. The Manager will also make available unaudited semi-annual reports within two months after the end of the six-month period ending 31 March for the Unit Trust in each year. The audited accounts and report and unaudited semi-annual reports can be downloaded from the website https://www.principalam.com/eu/investment-products/ucits-funds or may be obtained, free of charge, on request from the Manager, the distributors or the representatives of the Unit Trust. Such accounts and reports will contain a statement of the value of the net assets of each Fund and of the investments comprised therein as at the year-end or the end of such six-month period.

Publication of Prices

The Net Asset Value per Unit will be published daily. Such prices may be obtained from the Manager on request and further information including details of any other relevant publication will be available at the following website: https://www.principalam.com/eu/investment-products/ucits-funds . They will usually be the prices applicable to the previous day's trades and are therefore only indicative. The Manager accepts no responsibility for prices being incorrectly printed.

From time to time the Manager may also decide to publish, together with the Net Asset Values of Units, prices in currencies other than the Base Currency for Units in a Fund. However, such prices will be indicative only, being a function of an exchange rate determined by the Manager and the Net Asset Value per Unit that applies at the relevant time. The exchange rate will not necessarily represent an exchange rate that an investor has received, or could be expected to receive.

Publication of indicative prices in any particular currency does not mean that the Manager will accept applications for the issue or redemption of Units in that currency (refer to Subscription for Units and Redemption of Units sections above).

Jurisdiction

The Unit Trust is governed by the laws of Ireland and the Manager and Trustee submit to the jurisdiction of the Courts of Ireland.

Trust Deed

Copies of the Trust Deed (and the supplements thereto) may be obtained from the Manager or the Trustee or may be inspected during normal working hours at the offices of the Manager or the Trustee, free of charge. Subject to the prior approval of the Central Bank, the Trustee and the Manager may modify or add to the provisions of the Trust Deed if the Trustee is satisfied that the modification or addition either; (i) does not materially prejudice the interests of the Holders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Holders and will not increase the costs and charges payable out of the Unit Trust; or (ii) is necessary for compliance with any fiscal, statutory or official requirements, or (iii) is made to correct a manifest error, or (iv) is made to amend the definition of Market, or (v) is made to amend the definition of Specific Investment.

The Trustee shall act as depositary of each Fund's assets and shall be responsible for the oversight of the Unit Trust to the extent required by and in accordance with applicable law, rules and regulations. The Trustee shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Trust Deed.

The Trustee shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Trustee performs services under the Trust Deed.

The Trustee shall be liable to the Manager, or to the Holders, for all losses suffered by them as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations as set out in the Trust Deed and UCITS V. The Trustee shall be liable to the Manager and to the Holders, for the loss by the Trustee or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Fund of the Unit Trust without undue delay. The Trust Deed shall contain indemnities in favour of the Trustee for certain losses incurred but excluding circumstances where the Trustee is liable for the losses incurred.

The Trust Deed shall continue in force unless and until terminated by either party giving not less than six months' notice in writing to the other party, although termination may be immediate in certain circumstances, such as the insolvency of the Trustee.

If a decision is made to terminate a Fund in accordance with the provisions of the Trust Deed, the Manager shall give notice thereof to the Holders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Manager shall in its sole and absolute discretion determine,

Upon an (envisaged) removal or resignation of the Trustee, the Manager shall with due observance of the applicable requirements of the Central Bank, appoint a successor Trustee. The Trustee may not be replaced without the approval of the Central Bank.

The Trust Deed shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Trust Deed.

Meetings of Holders

The Trust Deed contains detailed provisions for meetings of Holders. Meetings of Holders of the Unit Trust may be convened by the Trustee, the Manager or the Holders of at least 10% in value of the Units in issue on not less than twenty-one days' notice. Notices of meetings will be posted to Holders. Holders may appoint proxies, who need not themselves be Holders. The quorum for a meeting to pass an Extraordinary Resolution will be Holders present in person or by proxy and holding or representing not less than 10% of the Units for the time being in issue or, for an adjourned meeting, Holders present in person or by proxy whatever their number or the number of Units held by them.

On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote. On a poll every Holder present in person or by representative or proxy shall have one vote for every Income Unit or Income Plus Unit for which they are registered as the Holder and such number of votes (including fractions) for every Accumulation Unit for which they are registered as the Holder as reflects the relative value of an Accumulation Unit to an Income Unit. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

An Extraordinary Resolution is a resolution proposed as such at a meeting of Holders at which a quorum is present and passed by a majority of 75% of the total number of votes cast.

The Trust Deed provides that a resolution which in the opinion of the Trustee affects one class or sub-class only of Units will be duly passed if passed at a separate meeting of the Holders of that class or sub-class of Units. If, in the opinion of the Trustee, the resolution affects more than one class or sub-class of Units but does not give rise to a conflict of interest between the Holders of the Units of the relevant classes or sub-classes, the resolution will be duly passed at a single meeting of the holders of the Units of those classes or sub-classes. If the resolution affects, in the opinion of the Trustee, more than one class or sub-class of Units and gives or may give rise to a conflict of interests between the holders of Units of the respective classes or sub-classes the resolution will only be duly passed if in lieu of being passed at a single meeting of the holders of Units of those classes or sub-classes, it is passed at separate meetings of the holders of Units of those classes or sub-classes.

Duration of the Unit Trust

The Unit Trust will continue indefinitely until terminated in accordance with the Trust Deed either (a) by the Manager on the date one year following the date of the Trust Deed or on any date thereafter if the value of net assets of the Unit Trust amounts, at such date, to less than US $20,000,000 or its equivalent or (b) by either the Manager or the Trustee at any time in certain circumstances (e.g. if any law is passed which renders it illegal or, in the opinion of the Manager or the Trustee, impracticable or inadvisable to continue the Trust), or (c) by Extraordinary Resolution of a meeting of Holders passed at any time, or (d) by either the Trustee or the Manager giving at least six months' notice to the other.

The Manager has the power to terminate any particular Fund on the date one year following the date of the Trust Deed or at any date thereafter if the Net Asset Value of the Fund amounts to less than US $10,000,000 or its equivalent.

The Trustee has power at its absolute discretion to terminate the Unit Trust or any particular Fund or any class of Units within a Fund:

(a) if the Manager shall go into liquidation (save voluntary liquidation) or a receiver is appointed over the assets of the Manager and is not discharged within 60 days; or

(b) if, in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or shall bring the Unit Trust or any Fund or any class of Units into disrepute; or

(c) if the Unit Trust or any Fund or any class of Units shall cease to be authorised or otherwise officially approved pursuant to the Regulations; or

(d) if within such time as the Trustee considers a reasonable time after the removal of the Manager pursuant to the Trust Deed the Trustee is unable to find a corporation acceptable to the Trustee and the Central Bank to act as the new manager of the Unit Trust.

The Trust Deed provides that upon the Unit Trust or any Fund therein or class of Units within a Fund being terminated the Trustee shall:

(a) sell all investments held for the Unit Trust or the relevant Fund or all or part of the investments held for the relevant Fund which proportionately relate to the relevant class of Units and in the latter case the Trustee shall have regard to the interests of continuing Holders; and

(b) distribute all net cash proceeds derived from the redemption of the assets of the Unit Trust or the relevant Fund or of the part of the relevant Fund to Holders of the relevant classes or class in proportion to their respective interests.

The Trustee shall not be bound (except in the case of final distribution) to distribute any monies for the time being in its hands the amount of which is insufficient to pay the equivalent of one cent in respect of each Unit. In addition the Trustee shall be entitled to retain out of any monies in its hands as part of the property of the Unit Trust or of the relevant Fund, full provision for all costs, charges, expenses, claims and demands incurred or made in connection with or arising out of the termination of the Trust or the relevant Fund or the relevant class of Units. The costs associated with the termination of any Fund are borne by that Fund prior to the proceeds of the Fund being distributed to Holders in that Fund.

Any unclaimed proceeds or other cash held by the Trustee at the end of the expiration of twelve months from the date on which the same were payable will be paid into Court subject to the right of the Trustee to deduct therefrom any expenses that the Trustee may incur in making such payments.

Litigation

The Unit Trust is not involved in any litigation nor are the Directors of the Manager aware of any pending or threatened litigation.

Documents available for inspection

Copies of the Trust Deed, the Prospectus, the Supplements, the PRIIPs KIDs and the KIIDs, and, after publication thereof, the periodic reports and accounts may be obtained free of charge on request from the Manager and the Hong Kong Representative. They are also available on www.principalglobal.com.

The following documents may also be inspected at the registered office of the Manager during usual business hours on weekdays, except public holidays:

(a) A list of all past and present directorships and partnerships held by each Director over the last 5 years.

(b) The Material Contracts.

(c) Trust Deed.

(d) The Regulations.

(e) The periodic reports and accounts.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Holders on request, free of charge regarding:

- the identity of the Trustee and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Trustee, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

Unless otherwise disclosed to investors, where a Fund is marketed in another Member State, the Manager shall make available facilities to perform the following tasks directly or through one or more third parties ("**Facility Agent**"):

(a) process subscription, repurchase and redemption orders and make other payments to Holders relating to the Units of the Fund;

(b) provide Holders with information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;

(c) facilitate the handling of information and access to procedures and arrangements relating to the Holders' exercise of their rights arising from their investment in the Fund in the Member State where the Fund is marketed;

(d) make the information and documents required pursuant to Chapter IX of the UCITS Directive available to Holders under the conditions laid down in Article 94 of the UCITS Directive, for the purposes of inspection and obtaining copies thereof;

(e) provide Holders with information relevant to the tasks that the facilities perform in a durable medium;

(f) act as a contact point for communicating with the competent authorities.

The facilities to perform the tasks referred to above shall be provided in the official language or one of the official languages of the Member State where the Fund is marketed or in a language approved by the competent authorities of that Member State.

Material Contracts

The following contracts have been entered into and are or may be material:

(a) The Investment Manager Agreement (as amended and novated) dated 21 October 2019 made between the Manager and the Investment Manager pursuant to which the Investment Manager agreed to provide investment advisory services to the Manager in respect of each Fund of the Unit Trust. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other or upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The Agreement contains certain indemnities in favour of the Investment Manager (which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligent act or commission or wilful misconduct of the Investment Manager.

(b) The Administration Agreement dated 31 January 2011 pursuant to which the Manager has appointed the Administrator to carry out the day to day administration of each of the Funds. This agreement may be terminated by either party on giving 90 days' written notice to the other although, in certain circumstances as set out in the Administration Agreement, the agreement may be terminated forthwith by notice in writing by either party to the other.

The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the negligence, wilful default or fraud of the Administrator or any of its directors, officers, employees and agents in the performance of its functions and services under the Administration Agreement.

(c) The Marketing and Distribution Services Agreement (as amended) dated 4 November 2014 made between the Manager and Principal Global Investors (Europe) Limited pursuant to which Principal Global Investors (Europe) Limited has been appointed as global distributor of the Funds (with the exception of the Shariah Funds).

(d) The Shariah Adviser Agreement dated 24 November 2023 between the Manager and the Shariah Adviser pursuant to which the Shariah Adviser agreed to provide investment advisory services to the Manager and the Shariah Investment Manager in respect of the Shariah Funds as listed in Appendix 1 to that agreement.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

Holder Communications

The Directors, the Manager, the Trustee and the Administrator will not be liable for any interception of Account Communications. "**Account Communications**" means all current and future account statements; Unit Trust documents (including all supplements and amendments thereto); notices (including privacy notices); letters to Holders; annual audited financial statements; regulatory communications and other information, documents, data and records regarding investments in the Unit Trust.

The Administrator and its respective directors, officers, employees and agents shall be fully indemnified and shall not be liable to any Holder in the Unit Trust for any loss, damage, expense (including without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) occasioned by act or omission of the Administrator and/or its respective directors, officers and employees in connection with the electronic delivery of Account Communications other than as a result of the negligence, wilful default or fraud of the Administrator in the performance of its duties as Administrator of the Unit Trust.

The Administrator and its respective directors, officers, employees and agents shall be fully indemnified and shall not be liable to any Holder in the Unit Trust for any loss, damage, expense (including without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) occasioned by act or omission of the Administrator and/or its respective directors, officers and employees in connection with any transactions sent and received by way of facsimile or other electronic medium other than as a result of the negligence, wilful default or fraud of the Administrator in the performance of its duties as Administrator of the Unit Trust.

APPENDIX E: MARKETS

With the exception of permitted investments in unlisted securities and FDI, investments will be restricted to the following stock exchanges and markets listed below in accordance with the Central Bank Requirements. For the purposes of this Appendix, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

Stock Exchanges

(i) Any stock exchange which is:

(A) located in any Member State; or

(B) located in any of the following countries:

Canada

Japan

New Zealand

Norway

Liechtenstein

Switzerland

United Kingdom

United States of America; or

(ii) any stock exchange included in the following list:

Argentina	the stock exchanges in Buenos Aires;
Australia	the Australian stock exchange;
Bermuda	the Bermuda Stock Exchange Limited
Botswana	the stock exchange in Botswana
Brazil	the stock exchanges in Sao Paulo and Rio de Janeiro;
Brunei	the Brunei Stok Exchange;
Cambodia	the Cambodia Securities Exchange;
Cayman Islands	the Cayman Islands Stock Exchange;
Chile	the stock exchange in Santiago;
China	the stock exchanges in Shanghai and Shenzhen;
Colombia	the stock exchanges in Bogota, Medellin and Cali;
Croatia	the Zagreb Stock and Commodities Exchange;
Egypt	the stock exchanges in Cairo and Alexandria;
Ghana	the stock exchange in Ghana;
Hong Kong	the stock exchange in Hong Kong;
Hungary	the stock exchange in Budapest;
Iceland	the stock exchange in Reykjavik;
India	the stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;

Indonesia	the stock exchanges in Jakarta and Surabaya;
Israel	the stock exchange in Tel Aviv;
Jordan	the stock exchange in Amman;
Kuwait	the Kuwait Stock Exchange;
Laos	the Lao Securities Exchange;
Malaysia	the stock exchanges in Kuala Lumpur (including the BURSA Malaysia Berhad) and Bumiputra;
Mexico	the stock exchange in Mexico City;
Morocco	the stock exchange in Casablanca;
Myanmar	the Yangon Stock Exchange;
Nigeria	the stock exchange in Lagos, Kaduna and Port Harcourt;
Pakistan	the stock exchanges in Karachi, Lahore and Islamabad;
Peru	the stock exchange in Lima;
Philippines	the stock exchanges in Manila and Makati;
Qatar	the Qatar Exchange
Russia	RTS Stock Exchange and MICEX;
Saudi Arabia	the Saudi Stock Exchange
Singapore	the stock exchange in Singapore;
South Africa	the stock exchange in Johannesburg;
South Korea	the stock exchange in Seoul;
Sri Lanka	the stock exchange in Colombo;
Taiwan	the stock exchange in Taipei;
Thailand	the stock exchange in Bangkok;
Tunisia	the Tunisia Stock Exchange;
Turkey	the stock exchange in Istanbul;
Uruguay	the stock exchange in Montevideo;
United Arab Emirates	the Abu Dhabi Securities Exchange, Dubai Financial Market and NASDAQ Dubai;
Venezuela	the stock exchanges in Caracas and Maracaibo;
Vietnam	the stock exchange in Ho Chi Minh; and
Zimbabwe	the Zimbabwe Stock Exchange.

(iii) Markets

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Prudential Regulation Authority (PRA); and (ii) market in non-investment products which is subject to the guidance contained in the "**Non-Investment Products Code**" drawn up by the participants in the London market, including the PRA and the Bank of England;

The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc. ("**FINRA"**), also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by FINRA (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

NASDAQ

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

AIM – the Alternative Investment Market in the United Kingdom which is regulated and operated by the London Stock Exchange;

The French market for "**Titres de Creance Negotiable**" (over-the-counter market in negotiable debt instruments);

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

In relation to any exchange traded FDI contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (a) located in any jurisdiction listed in (i) above, (b) listed in (ii) or (iii) above, or included in the following list:

Bourse de Montreal

The Channel Islands Stock Exchange;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Board of Trade;

New York Mercantile Exchange;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Osaka Securities Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange.

APPENDIX F: SUB DELEGATES OF THE TRUSTEE

Country/Market	Sub-custodian	Address
Argentina	The Branch of Citibank, N.A. in the Republic of, Argentina	Bartolome Mitre 530, 3rd floor (C1036AAJ) Ciudad de Buenos Aires Argentina
Australia	Citigroup Pty Limited	Level 16, 120 Collins Street, Melbourne, VIC 3000 Australia
Australia	The Hongkong and Shanghai Banking Corporation Limited	1, Queen’s Road, Central, Hong Kong SAR
Austria	UniCredit Bank Austria AG	Rothschildplatz 1, 1020 Vienna, Austria
Bahrain	HSBC Bank Middle East Limited	HSBC Bank Middle East Limited, The Gate Village, Building 8, Level 1, Dubai International Financial Centre (DIFC), P O Box 30444, Dubai, United Arab Emirates
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation is: HSBC Main Building, 1 Queen's Road Central Hong Kong SAR
Belgium	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels Belgium
Bermuda	HSBC Bank Bermuda Limited	37 Front Street, Hamilton HM11 PO Box HM 1020 Hamilton HM DX, Bermuda
Botswana	Stanbic Bank Botswana Limited	Plot 50672, Fairgrounds Office Park Gaborone, Botswana
Brazil	Citibank N.A., Brazil	Citibank N.A., Brazilian Branch Avenida Paulista, 1111, Sao Paulo, S.P. Brazil 01311-920
Brazil	Itaú Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100 São Paulo, S.P. - Brazil 04344-902
Bulgaria	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
Canada	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
Cayman Islands	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
Channel Islands	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
Chile	Banco Santander Chile	Head Office Bandera 140, Piso 4, Santiago, Chile Operations Bombero Ossa 1068, Piso 7, Santiago, Chile

Country/Market	Sub-custodian	Address
China	Bank of China Limited	No.1 Fuxingmen Nei Dajie Beijing, China, 100818
China	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong, Shanghai, China (200120)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No. 99-02 Piso 2, Santa Fe de Bogotá, Colombia
Costa Rica	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street, San José, Costa Rica
Croatia	Privredna banka Zagreb d.d.	Radnicka cesta 50, 10 000 Zagreb Croatia
Cyprus	Citibank Europe Plc, Greece Branch	8, Othonos, 10557 Athens Greece
Czech Republic	Citibank Europe plc, organizacni slozka	Bucharova 2641/14, 158 02 Prague 5, Czech Republic
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8, 106 40 Stockholm - Sweden
Egypt	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
Estonia	SEB Pank AS	Tornimäe Str. 2, 15010 Tallinn Estonia
Euromarket	Clearstream Banking S.A.	42 Avenue J.F. Kennedy 1855 Luxembourg, Grand Duchy of Luxembourg
Euromarket	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
Finland	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8, 106 40 Stockholm - Sweden
France	BNP Paribas Securities Services S.C.A.	Office Address :Les Grands Moulins de Pantin – 9 rue du Débarcadère, 93500 Pantin, France Legal address: 3 rue d'Antin, 75002 Paris, France
France	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels Belgium
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
Ghana	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
Greece	Citibank Europe Plc, Greece Branch	8, Othonos, 10557 Athens Greece
Hong Kong	Citibank N.A. Hong Kong	50/F, Champion Tower Three Garden Road, Central Hong Kong

Country/Market	Sub-custodian	Address
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building, 1 Queen's Road Central Hong Kong SAR
Hungary	Citibank Europe plc. Hungarian Branch Office	Váci út 80, 1133 Budapest, Hungary
Iceland	Landsbankinn hf.	Head office address: Austurstræti 11, 155 Reykjavík, Iceland Operations address: Hafnarstræti 6, 155 Reykjavik Iceland
India	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
India	Standard Chartered Bank, India Branch	Crescenzo, C-38/39, G-Block, 3rd Floor Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India
India	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building, 1 Queen's Road Central Hong Kong SAR Direct Custody and Clearing is located at: The Hongkong and Shanghai Banking Corporation Limited, 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
Indonesia	Deutsche Bank AG	5th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
Ireland	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
Israel	Bank Hapoalim B.M.	63 Yehuda Halevi St. Tel Aviv 6522701 Israel
Italy	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels Belgium
Japan	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo, 108-6009, Japan
Japan	MUFG Bank, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
Jordan	Bank of Jordan PLC	Al-Shmeisani-Abdul Hameed Sharaf St.-Building No.15, PO Box 2140, Amman 11181 Jordan

Country/Market	Sub-custodian	Address
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	26/41 Zenkov Street Medeu district Almaty, A25T0A1 Kazakhstan
Kenya	Stanbic Bank Kenya Limited	First Floor, Stanbic Bank Centre P.O. Box 72833 00200, Westlands Road, Chiromo, Nairobi, Kenya.
Kuwait	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F, P.O. Box 1683, Safat 13017, Kuwait
Latvia	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076, Latvia
Lithuania	AB SEB bankas	Konstitucijos Ave. 24, LT-08105, Vilnius, Lithuania
Luxembourg	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
Malawi	Standard Bank PLC	Standard Bank Centre Africa Unity Avenue, P O Box 30380, Lilongwe 3 Malawi
Malaysia	Standard Chartered Bank Malaysia Berhad	Level 26, Equatorial Plaza Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building 1 Queen's Road Central Hong Kong SAR
Mexico	Banco Nacional de México S.A., integrante del Grupo Financiero Banamex	Official address: Isabel la Católica No.44 Colonia Centro México City, C.P. 06000, Mexico Securities Services Head Offices: Actuario Roberto Medellín 800, 5° floor north Colonia Santa Fe Ciudad de Mexico, Mexico
Mexico	Banco S3 CACEIS Mexico, S.A., Institución de Banca Múltiple	Av. Vasco De Quiroga No. 3900 Torre Diamante A, Piso 20. Lomas de Santa Fe, Contadero Ciudad de Mexico - CDMX, 05300 Mexico
Morocco	Citibank Maghreb S.A.	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40, 20190 Casablanca Morocco
Namibia	Standard Bank Namibia Limited	Standard Bank Campus, No. 1Chasie Street, Hill Top Kleine Kuppe Windhoek Namibia

Country/Market	Sub-custodian	Address
Netherlands	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
Nigeria	Stanbic IBTC Bank Plc.	Walter Carrington Crescent Victoria Island, Lagos, Nigeria
Norway	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8, 106 40 Stockholm - Sweden
Oman	Standard Chartered Bank	Building 340, Way 4805, Azaiba North Plot 72, Phase 8, Azaiba North, PC:112 Ruwi Sultanate of Oman
Pakistan	Deutsche Bank AG	Office # 15A, 15th Floor, Sky Tower - West Wing, Dolmen City, Block 4, Marine Drive, Clifton, 75600 Karachi, Pakistan
Panama	Citibank N.A., Panama Branch	Calle Punta Darien y Punta Coronado, Torre de las Américas Torre B, Piso 14 Apartado 0834-00555 Panama City, Panama
Peru	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 15047, Peru
Philippines	Standard Chartered Bank Philippines Branch	6788 Ayala Avenue, Makati City, 1226, Philippines
Poland	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-844 Warszawa Poland
Portugal	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland
Qatar	Qatar National Bank	Al Corniche Street PO Box 1000, Doha Qatar
Qatar	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	145, Calea Victoriei, 010072 Bucharest Romania
Russia	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047 Russia
Russia	PJSC ROSBANK	Mashi Poryvaevoy street, 34 107078 Moscow, Russia
Saudi Arabia	HSBC Saudi Arabia	HSBC Building, 2nd Floor, 7267 Olaya Al-Murooj, Riyadh 12283-2255, Kingdom of Saudi Arabia
Serbia	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
Singapore	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

Country/Market	Sub-custodian	Address
Singapore	Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard Marina Bay Financial Centre Tower 1, #27-00 Singapore 018981
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Dvorakovo nabrezie 8 811 02 Bratislava, Slovak Republic
Slovenia	UniCredit Banka Slovenija d.d.	Ameriška ulica 2, SI-1000 Ljubljana, Slovenia
South Africa	Standard Chartered Bank, Johannesburg Branch	115 West Street, 2nd Floor Sandton 2000 South Africa
South Africa	The Standard Bank of South Africa Limited	9th Floor, 5 Simmonds Street Johannesburg 2001, South Africa
South Korea	Deutsche Bank AG	12F, Centropolis Tower A, 26, Ujeongguk- ro, Jongno-gu, Seoul, Korea, 03161
South Korea	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao, Spain
Spain	CACEIS Bank Spain, S.A.U.	Parque Empresarial La Finca Paseo Club Deportivo 1 - Edificio 4, Planta 2, 28223 Pozuelo de Alarcón (Madrid)
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8, 106 40 Stockholm - Sweden
Switzerland	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8, 8001 Zurich Switzerland
Switzerland	UBS Switzerland AG	Max-Högger-Strasse 80, 8048 Zürich, Switzerland
Taiwan	HSBC Bank (Taiwan) Limited	11/F, No. 369, Section 7, Zhongxiao East Road Nangang District Taipei City 115, Taiwan
Tanzania	Stanbic Bank Tanzania Limited	Plot Number 99A Corner of Ali Hassan Mwinyi and Kinondoni Roads PO Box 72647 Dar es Salaam Tanzania
Thailand	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
Tunisia	Union Internationale de Banques	65 Avenue Habib Bourguiba, 1000 Tunis, Tunisia
Turkey	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Ferko Signature No. 175/149 Sisli Istanbul, Turkey

Country/Market	Sub-custodian	Address
U.A.E.	HSBC Bank Middle East Limited (HBME)	HSBC Bank Middle East Limited Securities Services UAE- Markets & Securities Services, HSBC Tower, Downtown Dubai, Level 16, PO Box 66, Dubai, United Arab Emirates.
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
U.K.	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
U.S.A.	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
U.S.A. Precious Metals	HSBC Bank, USA, N.A.	452 Fifth Avenue, New York, NY 10018
Uganda	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
Ukraine	JSC "Citibank" Full name Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
Uruguay	Banco Itaú Uruguay S.A.	Luis Bonavitta 1266 - WTC Torre 4 - Piso 12 CP 13.000 Montevideo, Uruguay
Vietnam	HSBC Bank (Vietnam) Ltd	Floor 1,2,6 The Metropolitan 235 Dong Khoi, District 1 Ho Chi Minh City Vietnam
WAEMU	Société Générale Côte d'Ivoire	5/7 Avenue Joseph Anoma 01 BP 1355, Abidjan 01 - Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive, P.O Box 31955, Lusaka, Zambia
Zimbabwe	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

APPENDIX G: THE SHARIAH FUNDS

The Shariah Funds shall, at all times, invest in activities and instruments that are allowed under Shariah principles and in accordance with the requirements of the Central Bank and shall not invest in activities and instruments that are prohibited under Shariah principles based on the Shariah Adviser's established parameters. This Appendix outlines the Shariah investment guidelines and restrictions applicable to the Shariah Funds only, while the relevant Supplement of each Shariah Fund will detail additional specific investment guidelines and restrictions relating to that Shariah Fund which will also apply.

1 Shariah Investment Guidelines

The Shariah Funds' securities and other investments will be subject to strict Shariah investment guidelines. These are set out in the Supplement for the relevant Shariah Fund. The Shariah Investment Manager and any Sub-Investment Managers, where applicable, shall observe these criteria when considering securities for investment by the relevant Shariah Fund.

At all times and in addition to any other investment restrictions set out here or in the relevant Supplement, a Shariah Fund shall only invest in activities and instruments allowed under Shariah and shall not be invested in activities and instruments that are prohibited under Shariah.

1.1 Rules of divestment of non-Shariah-compliant investment assets in relation to securities.

The following guidelines will be applicable to the Shariah Investment Manager and/or any applicable Sub-Investment Manager where any of the following instances occur in respect of the securities held by a Shariah Fund.

"Shariah-compliant" securities which are subsequently considered "non-Shariah-compliant"

This section refers to those securities which have been earlier classified as Shariah-compliant but due to certain reasons, such as changes in the operation of the securities in question, are subsequently recognised as non-Shariah-compliant. In this regard, if on the date the securities become non-Shariah-compliant, the value of the securities held exceeds the original investment costs, a Shariah Fund must liquidate them. Any capital gains arising from the disposal of the non-Shariah-compliant securities may be kept by a Shariah Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day shall be channelled to charitable bodies approved by the Shariah Adviser.

A Shariah Fund is allowed to hold its investment in the non-Shariah-compliant securities if the market price of the said securities is below the original investment cost for a maximum holding period of 3 months. It is also permissible for the Shariah Fund to keep dividends received during the holding period, subject to purification.

In addition, during the holding period of the non-Shariah-compliant securities, a Shariah Fund is permitted to subscribe to Shariah-compliant securities of other companies offered by the company whose non Shariah-compliant securities are held by the Shariah Fund.

"Non-Shariah-compliant securities"

If the Shariah Investment Manager and/or, if applicable, any Sub-Investment Manager mistakenly invests in non-Shariah-compliant securities, the Shariah Investment Manager must dispose of any non Shariah-compliant securities within one month of becoming aware of the status of such securities. Any gain made in the form of capital gain or dividend received during or after the disposal of these securities must be channelled to charitable bodies approved by the Shariah Adviser. A Shariah Fund has a right to retain only the original investment costs, which may include brokerage fee and other transaction costs.

1.2 "Cleansing Process"

Any income or distribution received by a Shariah Fund from securities which relate to income from non-Shariah-compliant investments assets are considered impure income. The level of the impure income which relates to such dividends shall be determined by the provider of the index specified in the relevant Supplement. This impure income is subject to an income purification process as determined by the Shariah Adviser, from time to time, whereby the impure income will be channelled to charitable organisations, which are approved by the Shariah Adviser.

1.3 **Periodic Review**

The Shariah Adviser will review and screen the details of each of the Shariah Fund's portfolio submitted to it on a monthly basis to ensure compliance with the prescribed investment policies and guideline approved by the Shariah Adviser.

1.4 **Borrowing**

In relation to the Shariah Funds, the Shariah Adviser must advise that any borrowing carried out pursuant to the terms set out in section 2.5 of the General Information section of this Prospectus is Shariah compliant.

1.5 **Valuation**

In relation to the Shariah Funds and the valuation techniques set out in Appendix B of this Prospectus, the following additional provisions shall apply to the Shariah Funds, where relevant:

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments which are in accordance with Shariah shall be valued at the closing price, or if unavailable, the last known market price for such certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments.

The value of any exchange traded futures contracts, share price index futures contracts, options and other quoted derivatives, which are in accordance with Shariah shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary.

1.6 **OTC Counterparties**

The counterparties to OTC derivatives will be also subject to the following requirements:

(a) The counterparty is a financial institution with a minimum long-term rating provided by any domestic or international rating agency that indicates a strong capacity for timely payment of financial obligations.

(b) The Investment Manager has determined it is able to value the investment concerned to ensure that the pricing is reasonable.

(c) The counterparty is able to provide a reliable and verifiable valuation on a regular basis (preferably every business day) or at any time as may be requested by the Investment Manager.

(d) The counterparty must be ready to unwind, buy-back or close out the transaction upon request of the Investment Manager at a fair value based on methods or bases which have established.

1.7 **Additional Investment Limits Applicable to the Shariah Funds**

In respect of Shariah Funds investing in transferable securities, the investment limit as in 2.3 of Appendix A is (subject to the prior approval of the Central Bank) raised to 25% in the case of Sukuk that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect Sukuk-holders. If a Shariah Fund invests more than 5% of its Net Asset Value in these Sukuk issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Shariah Fund.

Shariah Funds may only acquire 10% of the Sukuk of any single issuing body. This limit as well as the other limits set out in section 5.2 of the Appendix A, where applicable, may be disregarded at the time of acquisition if at that time the gross amount of the Sukuk or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

The limit in relation to the investment in index tracking funds in 4 of Appendix A also applies to Sukuk.

APPENDIX H: DEFINITIONS

For the purposes of this Prospectus the following expressions shall have the following meanings:

"**A Class Holder**"	means a Holder of A Class Units.
"**A Class Units**"	means the Units named A Class Units in a Fund.
"**Accounting Period**"	means a calendar year ending 30 September.
"**Accumulation Units**"	means Units of a Class of a Fund designated as an Accumulation Class.
"**Administration Agreement**"	means the administration agreement dated 31 January 2011 between the Manager and the Administrator, as may be amended from time to time.
"**Administrator**"	means BNY Mellon Fund Services (Ireland) Designated Activity Company or any successor thereto duly appointed administrator in succession to the said BNY Mellon Fund Services (Ireland) Designated Activity Company in accordance with the requirements of the Central Bank;
"**ADR**"	means an American depository receipt.
"AIF"	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations.
"**Application Form**"	means the form used to establish an account for purchases, redemptions and switches of Units issued in respect of the Unit Trust from time to time.
"**B Class Holder**"	means a Holder of B Class Units.
"**B Class Units**"	means the Units named B Class Units in a Fund.
"**Benchmark Regulation**"	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
"**Base Currency**"	means the US Dollar for each of the Funds unless otherwise stated in the relevant Supplement.
"**Business Day**"	means any day, other than a Saturday or Sunday, on which banks in Ireland are open for business.
"**Central Bank Requirements**"	means the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated, substituted in any form or otherwise from time to time, and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Unit Trust, the Manager on behalf of the Unit Trust and/or the Trustee.

"**Central Bank**"	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Unit Trust.
"**CIS**"	means an open-ended collective investment scheme within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;
"**Connected Persons**"	has the meaning attributed to it in Appendix C, **PORTFOLIO TRANSACTIONS, MANAGER'S UNIT DEALING AND MANAGER'S REMUNERATION POLICY**.
"**CoCos**"	means contingent convertible securities which are a form of convertible debt security that are intended to automatically and permanently convert into equity securities of the issuing entity upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the continued viability of the entity as a going-concern is in question. CoCos will have unique conversion features which are tailored to the issuing entity and its regulatory requirements.
"**CRS**"	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard.
"**D Class Holder**"	means a Holder of D Class Units.
"**D Class Units**"	means the Units named D Class Units in a Fund.
"**Data Protection Legislation**"	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
"**Dealing Day**"	means a Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.
"**Dealing Deadline**"	in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.
"**Directors**"	means the directors of the Manager or any duly authorised committee or delegate thereof, each a Director.
"**Distribution Date**"	means for any Fund a date as determined by the Manager on which income distributions for that Fund are to be made. Such date shall be no later than 30th November in respect of annual distributions in each year.
"EEA"	means the European Economic Area.
"**EMIR**"	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.

"**ESG**"	means environmental, social and governance.
"**ESG Orientated Fund**"	means a Fund of the Unit Trust that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices.
"**Euro**", "**cent**" and "**€**"	(where the context permits) refer to the lawful currency of the Republic of Ireland.
"**Extraordinary Resolution**"	has the meaning attributed to it in the Trust Deed.
"**F Class Holder**"	means a Holder of F Class Units.
"**F Class Units**"	means the Units named F Class Units in a Fund.
"**FATCA**"	means: (a) Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law or regulation in Ireland that give effect to the matters referred to in paragraphs (a) or (b) above.
"**FDI**"	means a financial derivative instrument.
"**Foreign Person**"	means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Manager with the appropriate declaration under Schedule 2B TCA and the Manager is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the Manager is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of Holder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.
"**Fund**"	means any sub-fund of the Unit Trust established as a separate trust within the Unit Trust from time to time.
"**GDR**"	means a global depository receipt.
"**Group Companies**"	means companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.
"**HK dollars**"	refers to the currency of Hong Kong.
"**Holder**"	means any holder of Units in the Unit Trust.

"**Hong Kong Business Day**" means any day, other than a Saturday or Sunday, on which banks in Hong Kong are open for business.

"**Hong Kong Representative**" means Principal Investment & Retirement Services Limited.

"**I Class Holder**" means a Holder of I Class Units.

"**I Class Units**" means the Units named I Units in a Fund.

"**Income Units**" means Units of a Class of a Fund designated as an Income Class.

"**Income Plus Units**" Means Units of a Class of a Fund designated as Income Plus Class.

"**Investment Manager**" means Principal Global Investors, LLC and/or such other entity that may be appointed by the Manager to provide discretionary investment management services to a Fund and such appointment shall be disclosed in the relevant Supplement, where relevant. Where the context so permits, the term Investment Manager shall also mean any Sub-Investment Manager appointed by Principal Global Investors, LLC and/or such other entity that may be appointed by the Manager to provide discretionary investment management services in respect of any Fund, particularly in the context of Appendix C, **PORTFOLIO TRANSACTIONS AND MANAGER'S UNIT DEALING.**

"**Investor Money Regulations**" means the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.

"**Irish Taxable Person**" means any person other than:

(a) a Foreign Person;

(b) an intermediary, including a nominee, for a Foreign Person;

(c) a qualifying management company within the meaning of section 739B(1) TCA;

(d) an investment undertaking within the meaning of section 739B(1) of the TCA;

(e) an investment limited partnership within the meaning of section 739J TCA;

(f) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;

(g) a company carrying on life business within the meaning of section 706 TCA;

(h) a special investment scheme within the meaning of section 737 TCA;

(i) a unit trust to which section 731(5)(a) TCA applies;

(j) a charity being a person referred to in section 739D(6)(F)(i) TCA;

(k) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848B TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);

(l) the Courts Service;

(m) a Credit Union within the meaning of section 2 of the Credit Union Act 1997;

(n) an Irish resident company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;

(o) a company within the charge to corporation tax under section 110(2) TCA in respect of payments made to it by the Unit Trust;

(p) the National Treasury Management Agency or a fund investment vehicle within the meaning of section 739D(6)(kb) TCA;

(q) the National Asset Management Agency; and

(r) any other person as may be approved by the Directors from time to time provided the holding of Units by such person does not result in a potential liability to tax arising to the Unit Trust in respect of that Holder under Part 27 Chapter 1A TCA;

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Unit Trust on the appropriate date.

"Japanese Yen", "Yen", "JPY" and **"¥"** means the lawful currency of Japan or any successor currency.

"**KIID**" means key investor information document prepared pursuant to the requirements under the UCITS Directive.

"Mainstream Fund" means a Fund of the Unit Trust which does not meet the criteria to qualify as either an ESG Orientated Fund pursuant to Article 8 of SFDR or a Sustainable Investment Fund pursuant to Article 9 of SFDR;

"**Manager**" means Principal Global Investors (Ireland) Limited.

"**Market**" means any of the markets and exchanges listed in Appendix E.

"**Member State**" means any member state of the European Union.

"**MiFID II**" means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU).

"**Money market instruments**" shall have the meaning prescribed to it in the Regulations.

"Money Market Funds Regulation" means Regulation (EU) 2017/1131 of the European Parliament and of the Council as amended or supplemented from time to time, including any delegated acts adopted thereunder and any implementing rules or conditions that may from time to time be imposed thereunder by the Central Bank or ESMA.

"**N Class Holder**" means a Holder of N Class Units.

"**N Class Units**" means the Units named N Class Units in a Fund.

"**Net Asset Value per Unit**" for any Dealing Day is calculated by dividing the assets of the relevant Fund, less its liabilities, by the total number of Units of the relevant class in issue at the Valuation Point on that Dealing Day (adjusted to

	reflect the proportion of the Net Asset Value of the relevant Fund attributable to Units of the relevant class in that Fund).
"**Net Asset Value**"	of a Fund for any Dealing Day means the value of the assets of the relevant Fund, less its liabilities.
"**OECD**"	means the Organisation for Economic Co-operation and Development.
"**P Class Holder**"	means a Holder of P Class Units
"**P Class Units**"	means the Units named P Class Units in a Fund
"**PRIIPs KID**"	means the key information document prepared pursuant to the requirements of Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products, as amended.
"**Prospectus**"	means this document and, where the context so requires, means this document together with the Supplements thereto in relation to each of the Funds.
"**PRC**" or "**China**"	means the People's Republic of China (excluding for the purposes of this Prospectus the Hong Kong and Macau Special Administration Regions and Taiwan) and the term "Chinese" shall be construed accordingly.
"**QFI"**	means the qualified foreign investor(s) approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time, including qualified foreign institutional investors (QFII) and Renminbi (RMB) qualified foreign institutional investors (RQFII).
"**QFI Regulations**"	means the measures issued by the relevant authorities in the PRC with respect to the QFI, as may be amended.
"**Rating Agency**"	means a recognised agency who provide credit quality ratings of fixed income securities, such as Moody's, Fitch or Standard & Poor's.
"**R Class Holder**"	means a Holder of R Class Units.
"**R Class Units**"	means the Units named R Class Units in a Fund.
"**Regulations**"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352) as may be amended, supplemented or consolidated from time to time, and includes any conditions that may from time to time be imposed thereunder by the Central Bank affecting the Unit Trust.
"**REITS**"	A REIT is typically established as a trust, corporation, or partnership structure that uses pooled capital of many investors to purchase and manage income property and/or mortgage loans.
"**Related Companies**"	has the meaning assigned thereto in section 2(10) of the Companies Act 2014. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.
"**Relevant Institution**"	means a credit institution as specified in Regulation 7 of the Central Bank Requirements, being a credit institution authorised in the EEA, a

	credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
"Revenue Commissioners"	means the Irish Revenue Commissioners.
"**Securities Financing Transactions**"	means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in.
"SFDR" or "Disclosure Regulation"	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
"**SFT Regulations** or **SFTR**"	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
"Shariah"	means Islamic Jurisprudence and Islamic Law.
"Shariah Fund(s)"	Any Fund(s) that proposes to make Shariah compliant investments where disclosed in the relevant Supplement.
"Shariah Investment Manager"	means any person for the time being duly appointed by the Manager as an investment manager of a Shariah Fund.
"Shariah Adviser"	means Amanie Advisors Sdn Bhd.
"Shariah Adviser Agreement"	means the consultancy agreement effective 24 November 2023 between the Manager and the Shariah Adviser as substituted, amended, supplemented, novated or otherwise modified from time to time.
"Shariah Investment Guidelines"	means the investment guidance issues in accordance with Shariah principles by the Shariah Investment Manager.
"Sukuk"	A document or certificate, documenting the undivided pro-rated ownership of underlying assets. The sakk (singular of sukuk) is freely traded at par, premium or discount. Commonly, the term sukuk is used for fixed income securities and debt securities which comply with Shariah.
"**Sterling**", "**pence**" and the sign "**£**"	refer to the currency of the United Kingdom of Great Britain and Northern Ireland.
"**Sub-Investment Manager**"	means any person for the time being duly appointed by the Investment Manager as a sub-investment manager of a Fund.
"Subscriptions/Redemptions Account"	means the account in the name of the Unit Trust through which subscription monies and redemption proceeds and dividend income (if

any) for each Fund are channelled, the details of which are specified in the Application Form.

"**Supplement**" means any supplement to the Prospectus issued on behalf of the Unit Trust specifying certain information in relation to a Fund and/or one or more Classes from time to time, noting that any such supplement may be issued with an information card, annex or addendum containing supplemental information on the relevant Fund or Class.

"**Sustainable Investment**" means an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices.

"Sustainable Investment Fund" means a Fund of the Unit Trust that, in accordance with the criteria outlined in Article 9 of SFDR has Sustainable Investment as its objective;

"**Sustainability Risk"** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

"**Taxonomy Regulation"** means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852), and amending Regulation (EU) 2019/2088, as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time.

"**TCA**" means the Taxes Consolidation Act 1997, as amended from time to time.

"**transferable securities**" shall have the meaning prescribed to it in the Regulations.

"**Trust Deed**" means a trust deed dated 9 October 1992, (made between the then manager and the then trustee), as amended and restated on 30 March 2016 and subsequently amended and restated on 22 November 2019, between the Manager and the Trustee for the Unit Trust as well as any supplemental trust deed as agreed from time to time.

"**Trustee**" means the Bank of New York Mellon SA/NV, Dublin Branch or any successor thereto duly appointed with the prior approval of the Central Bank as the trustee and depositary of the Unit Trust.

"**UCITS Directive**" means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive

	2014/91/EU of the European Parliament and of the Council of 23 July 2014 and as may be further amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.
"**UCITS V**"	means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.
"**UCITS**"	means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
"**Unit**"	means an undivided share in each class (whether Accumulation Unit or Income Unit) of units in a Fund and includes any fraction of a unit in a Fund.
"**Unit Trust**"	means Principal Global Investors Funds.
"**United States Person**"	means any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source.
"**United States**" or "**US**"	means the United States of America, its territories, possessions and all area subject to its jurisdiction including the Commonwealth of Puerto Rico.
"**US dollar**", "**cent**" and "**US$**"	(where the context permits) refer to the currency of the United States of America.
"**Valuation Point**"	means in respect of each Fund such time or times as the Manager may determine by reference to which the Net Asset Value of the Fund is calculated for a Dealing Day and shall, until further notice to the Trustee, be such time as set out in the relevant Supplement.
"**X Class Holder**"	means a Holder of X Class Units.
X Class Units"	means the Units named X Class Units in a Fund.
"**Z Class Holder**"	means a Holder of Z Class Units.
"**Z Class Units**"	means the Units named Z Class Units in a Fund.

Enquiries

Requests for subscription, conversion or redemption of Units, dealing and administration enquiries:

(a) All investors (except Hong Kong-based investors):
The Administrator,
BNY Mellon Fund Services (Ireland) Designated Activity Company
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1
Ireland
Tel: +353 1 900 8081
Fax: +44 207 964 2667

(b) Hong Kong-based investors:
The Hong Kong Representative,
Principal Investment & Retirement Services Limited
30/F Millennium City 6
392 Kwun Tong Road
Kwun Tong, Kowloon, Hong Kong
Tel:852 2117 8383 (General enquiries)
Fax: 852 2918 1461 (Dealing)
Email: Investors-Asia@principal.com

Sales and other enquiries

European-based investors:

Principal Global Investors (Ireland) Limited.
Kildress House
Pembroke Row
D02 H00B
Ireland
Tel +44-20-7710-0220
E-mail:contactpgfunds@principal.com

Hong Kong-based investors:

Principal Investment & Retirement Services Limited
30/F Millennium City 6
392 Kwun Tong Road
Kwun Tong, Kowloon, Hong Kong
Tel:852 2117 8383 (General enquiries)

UK and Non-European-based investors:
Principal Global Investors (Europe) Limited
Level 1
1 Wood Street
London
EC2V 7JB
United Kingdom

Tel: +44-20-7710-0220

E-mail: contactpgfunds@principal.com

Middle-East and Africa-based investors:

Principal Global Investors LLC Dubai
Office 109, Level 1, Gate Village 7
Dubai International Financial Centre
P.O. Box 482006
Dubai, United Arab Emirates
+971-4-346-4555

Singapore-based investors:

Principal Global Investors (Singapore) Limited
One Raffles Quay #19-01
North Tower
Singapore 048583
+65-6332-0683

Internet

Further information about the Unit Trust and about Principal Asset Management can be found on the following website: https://www.principalam.com/eu/investment-products/ucits-funds

Supplement

for the

Asian High Yield Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Asian High Yield Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2, Income Plus and Unit classes denoted as (Gross), in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such case, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.

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1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The objective of the Fund is to provide a return consisting of income and, over the long term, capital growth.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its overall objective by generally investing at least 70% of its Net Asset Value in a portfolio of high-yield fixed income securities, which have been issued by governments and agencies of, or companies domiciled in, or exercising the principal part of their business activity in Asia. Such securities may include fixed interest rate corporate bonds, sovereign bonds, senior callable bonds and contingent convertible securities ("**CoCos**"). CoCos are hybrid bonds that may, when the issuer's capital ratio falls below a predetermined trigger level, be written down, written off or converted into an equity security. The bonds in which the Fund invests may be rated or unrated, fixed rate or floating rate. The Fund will invest in high yield fixed income securities that capture the growth potential of Asia with a focus on Greater China. The Fund may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**"). The Fund will not invest directly in Chinese listed securities but will seek to achieve exposure via investment in securities listed outside of China. The Fund may also invest in global emerging markets outside of Asia. These securities will generally be rated below investment grade. The Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in any one sector.

The Fund will be managed on the basis of the Investment Manager's fundamental research and risk management investment process as implemented by the Sub-Investment Manager. The research framework consists of fundamental research at 3 levels – (i) individual credit/security selection, (ii) industry/sector/country and (iii) macro strategy. The process to identify the potential investment for further research, is supported by systematic analysis of market data. The analysis identifies the factors which determine the fundamentals and valuations of a specific credit or sector/country. Factors that are considered for corporates include its management, business strength, credit profile, regulatory risk and for governments the factors include economic activity, financial metrics and fiscal dynamics. Those factors are then scored on a range between deteriorating to improving trajectory or between rich to cheap respectively. Analysts will then perform fundamental deep dive research in their respective credit sectors and macro markets to identify emerging opportunities and risks.

The Fund may also invest in Rule 144A securities and loan participations and/or loan assignments (which may be unsecuritised) provided such instruments constitute money market instruments within the scope of Regulation 3(4) of the Regulations ("**Loans**") as an alternative means of obtaining low risk exposure to the issuers of the fixed income securities outlined above i.e. by investing in Loans to such issuers as opposed to investing directly in fixed income securities issued by such entities. Any such Loans will typically be collateralised and of short duration.

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit). However generally no more than 20% of the Net Asset Value of the Fund may be held in aggregate in ancillary liquid assets. The Fund's investments will (other than permitted unlisted investments) be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The Sub-Investment Manager analyses potential investee issuers identified pursuant to the foregoing process with ESG considerations which are promoted by the Fund, as further detailed below. The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The Fund promotes environmental and social characteristics. The environmental characteristics considered by the Fund are energy intensity and carbon emissions. The social characteristics considered by the Fund are labour standards and employee welfare. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalglobal.com/eu/about-us/responsible-investing.

1.4 Taxonomy Disclosure

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to ICE BofAML Asian Dollar High Yield (the "**Index**") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Investment Manager and the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take sustainability characteristics into account and considerations of the sustainability characteristics, as further outlined in section 1.3 above, are recognised independently of the Index. Information on the methodology used for the calculation of the index is available upon request from the Sub-Investment Manager.

1.6 Hedged Unit Classes

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks** pertaining to such Units.

1.7 Profile of a Typical Investor

Investment in the Fund is suitable for investors seeking return consisting of income and, over the long term, capital growth and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply. In addition the following investment restrictions shall apply to the Fund.

The Fund shall not invest more than:

- 10% of its Net Asset Value in CoCos;
- 10% of its Net Asset Value in emerging markets outside of Asia;
- 10% of its Net Asset Value in unrated bonds; and
- 5% of its Net Asset Value in Loans;

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise derivative techniques and instruments for the purposes of currency hedging for the Hedged Unit classes, and may also do so for efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. The Fund will not use derivative techniques and instruments for investment purposes. Global exposure and leverage as a result the foregoing shall not exceed 25% of the Net Asset Value of the Fund (which will be measured using the commitment approach). The Fund shall not engage in leverage for investment purposes. The Fund may engage in foreign currency transactions either on a spot or forward basis to reduce the risks of adverse market changes in exchange rates. The Fund may invest in the following range of FDI:

Forwards - the Fund may enter into forward currency contracts which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

A forward settled transaction delays settlement of a transaction to a forward date.

Swaps - A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time.

Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency and the Fund may use currency swaps to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes.

The Fund may also enter into credit default swaps and index credit default swaps for efficient portfolio management purposes.

Futures - Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. The Fund may use equity futures, bond futures or interest rate futures for efficient portfolio management purposes.

Any financial indices which the Fund has exposure to through the use of FDI for efficient portfolio management shall be UCITS eligible financial indices which meet with the requirements of the Central Bank. Insofar as it is practical and permitted, more specific information on any such indices will be set out in the annual and semi-annual accounts.

Further information is set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks.**

The Fund may also enter into reverse repurchase agreements subject to the conditions and limits set out in the Central Bank Requirements and total return swaps. Reverse repurchase agreements and total return swaps will only be utilised for efficient portfolio management.

Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to total return swaps or reverse repurchase agreements. The anticipated proportion of the Fund's assets that can be subject to reverse repurchase agreements is 2.5% and the anticipated proportion of the Fund's assets that can be subject to total return swaps is 2.5%. The maximum proportion of the Fund's assets that can be subject to reverse repurchase agreements and total return swaps is 30%. In any case the most recent semi-annual and annual accounts of the Fund will express the amount of the Fund's assets subject to reverse repurchase agreements and total return swaps.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC (“**Principal Global Investors**” or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investor (Singapore) Limited (“**PGIS**” or "**Sub-Investment Manager**") to act as sub-investment manager to the Fund. PGIS were appointed pursuant to a Sub-Investment Manager Agreement as amended (the "**Sub-Investment Manager Agreement**"). Pursuant to this Sub-Investment Manager Agreement, the Investment Manager has delegated to PGIS security selection and/or portfolio construction responsibilities, as the parties may from time to time agree. This agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIS is regulated by the Monetary Authority of Singapore.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit classes in the Fund.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks, the FDI and Securities Financing Transactions Risks, the Contingent Convertible Instruments ("**CoCos**") Risk and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 and Income Plus Unit classes, will be declared and paid quarterly within 30 days of the end of each calendar quarter. Distributions on the D2 and Income Plus Unit classes in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day and which in all cases shall be prior to the Valuation Point.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and shall, until further notice, be 10:00 a.m. Dublin time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	**Minimum Initial Subscription** (**Relevant Class Currency**)	**Current Preliminary Charge (%)**	**Annual Management Fee (% per annum)**	**Marketing and Distribution Fee (% per annum)**	**Annual Trustee Fee (% per annum)**	**Administration Fee (% per annum)**
A	1,000	5.00	1.25	0.00	Not more than 0.0220	0.15
A2	1,000	5.00	1.25	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.70	0.65	Not more than 0.0220	0.15
D2	1,000	5.00	0.70	0.65	Not more than 0.0220	0.15
I	2,000,000	0.00	0.70	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.50	0.00	Not more than 0.0220	0.00
I3	20,000,000	0.00	0.60	0.00	Not more	0.00

					than 0.0220	
F	1,000	0.00	0.70	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.70	0.00	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 The costs of establishing the Fund, which are not expected to exceed USD 30,000, will be borne by the Fund and amortised over the first five years of the Fund.

10.3 For A2, D2, Income Plus Unit classes, and Unit Classes denoted as (Gross), the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

10.4 In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.5 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the heading **General Information; Income Units, Income Plus Units and Accumulation Units**.

10.6 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
A Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
A2 Class Income	Hedged: Australian Dollar, Euro, Singapore Dollar, Sterling

	Unhedged: US Dollar, Hong Kong Dollar
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
D2 Class Income	Hedged: Australian Dollar Unhedged: US Dollar, Hong Kong Dollar
D2 Class Income Plus	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
F Class Accumulation	Hedged: N/A Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I Class Income (Gross)	Hedged: Singapore Dollar Unhedged: US Dollar
I2 Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I2 Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I3 Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I3 Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
N Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
N Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
X Class Accumulation	Hedged: N/A Unhedged: US Dollar

X Class Income	Hedged: N/A Unhedged: US Dollar

12 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Asian High Yield Fund

Legal entity identifier: 549300UI5QN6CMG6PW86

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are energy intensity and carbon emissions. The social characteristics considered by the Fund are labour standards and employee welfare.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the

environmental or social characteristics promoted by the financial product are attained.

The Sub-Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

For assessing a company's practice on energy intensity, the Sub-Investment Manager considers indicators on energy consumption.

For assessing a company's practice on carbon emissions, the Sub-Investment Manager considers indicators on GHG emissions, carbon footprint and GHG intensity.

For assessing a company's practice on labour standards and employee welfare, the Sub-Investment Manager considers indicators on the UN Global Compact Violations, the UN Global Compact Monitoring and board gender diversity.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint

- PAI 13 - Board Gender Diversity
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its overall objective by generally investing at least 70% of its Net Asset Value in a portfolio of high-yield fixed income securities, which have been issued by governments and agencies of, or companies domiciled in, or exercising the principal part of their business activity in Asia. Such securities may include fixed interest rate corporate bonds, sovereign bonds, senior callable bonds and contingent convertible securities ("**CoCos**"). CoCos are hybrid bonds that may, when the issuer's capital ratio falls below a predetermined trigger level, be written down, written off or converted into an equity security. The bonds in which the Fund invests may be rated or unrated, fixed rate or floating rate. The Fund will invest in high yield fixed income securities that capture the growth potential of Asia with a focus on Greater China. The Fund may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**"). The Fund will not invest directly in Chinese listed securities but will seek to achieve exposure via investment in securities listed outside of China. The Fund may also invest in global emerging markets outside of Asia. These securities will generally be rated below investment grade. The Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in any one sector.

The Fund will be managed on the basis of the Investment Manager's fundamental research and risk management investment process as implemented by the Sub-Investment Manager. The research framework consists of fundamental research at 3 levels – (i) individual credit/security selection, (ii) industry/sector/country and (iii) macro strategy. The process to identify the potential investment for further research, is supported by systematic analysis of market data. The analysis identifies the factors which determine the fundamentals and valuations of a specific credit or sector/country. Factors that are considered for corporates include its management, business strength, credit profile, regulatory risk and for governments the factors include economic activity, financial metrics and fiscal dynamics. Those factors are then scored on a range between deteriorating to improving trajectory or between rich to cheap respectively. Analysts will then perform fundamental deep dive research in their respective credit sectors and macro markets to identify emerging opportunities and risks.

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager incorporates a proprietary ESG scoring system, as further described below, into their investment decision making, which is combined with additional screening and exclusion criteria.

The ESG scoring methodology is used to evaluate ESG-related risk and opportunity based on a predetermined framework of environmental, social and governance metrics and attributes. This includes both numerical metrics, such as carbon emissions or employee turnover, and binary metrics that indicate whether a firm engages in (or does not engage in) practices conducive to promotion of characteristics considered by the Fund, for example the presence (or lack thereof) of health & safety policies.

The scoring system is weighted to issues most relevant to a specific sector, for example the energy sector would have a stronger focus on environmental considerations, or the technology sector would have a greater focus on social considerations. The methodology systematically translates these metrics to quantifiable scores to ascertain an ESG profile for each issuer considered for inclusion in the portfolio, as well as the overall sector. The scoring is enriched with qualitative assessments made by the Sub-Investment Manager, utilising case studies, publicly available information, company visits and assessment reports.

From these scores, the Sub-Investment Manager considers the quartile rankings for each sector and selects securities from the top two quartiles.

The Sub-Investment Manager also applies screening to specifically consider carbon intensity and United Nations Global Compact (“**UN Global Compact**”) violations. The Sub-Investment Manager uses Scope 1 & 2 carbon emissions data to identify the carbon intensity rating for investee companies and aims for a weighted average carbon intensity for the Fund that is 10% lower than the ICE BofAML Asian Dollar High Yield (the "**Index**"). The Sub-Investment Manager also aims for an aggregate weight of investee companies involved in violations of the UN Global Compact for the Fund that is lower that of the Index, measured using UN Global Compact compliance data.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the Fund's investment strategy are as follows:

1. *Carbon intensity* – The Fund will maintain a weighted average carbon intensity that is 10% below that of the Index, utilising Carbon Emissions - Scope 1+2 Intensity (t/USD million sales) data.
2. *UN Global Compact violations* - The Fund will maintain a lower aggregate weight of investee companies involved in violations of the UN Global Compact as compared to the ICE BofAML Asian Dollar High Yield Index, utilising Global Compact Compliance data.
3. *Fossil fuel production* - The Fund will have a maximum exposure of 10% to companies with revenues of 30% or more from the production and consumption of thermal coal, oil and gas.
4. *Green Finance* - The Fund will have a minimum exposure to 10% of companies involved in sustainable financing and/or that utilise bond proceeds to fund sustainability-focused projects, or that have been issued by companies in the green sector, as defined by the Sub-Investment Manager.
5. A set of fixed environmental and social exclusion criteria is in place to exclude companies or issuers from consideration for investment where:
    a. more than 10% of their revenue is derived from production, distribution, or services to nuclear power plants.
    b. involved in the production of cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragment weapons.
    c. either own or are involved in the distribution, licensing, sale or supply of tobacco.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investment.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, and to highlight the importance of good governance practices, the Sub-Investment Manager assigns the highest category weight within its ESG scoring methodology to governance-related factors, broadly categorised as board composition, accounting credibility, transparency and shareholder-related. Amongst these, the Sub-Investment Manager has identified board integrity issues, accounting investigations and instances of securities fraud as significant factors that can lead to the automatic exclusion of a particular company or issuer.

This analysis is further enriched with the Sub-Investment Manager's corporate governance overlay, providing a complementary assessment to build conviction around quantitative findings on financial metrics (the ability to pay), and enhancing this with qualitative analysis required to assess an issuers willingness to pay.

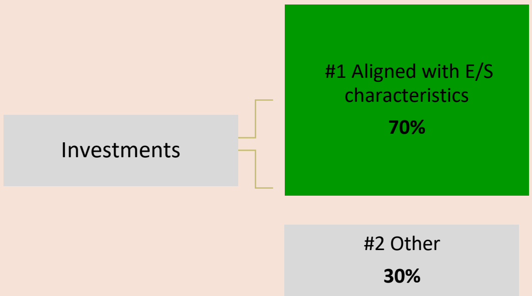
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

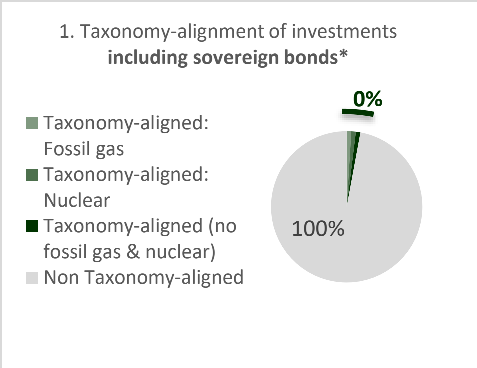
☒ **No**

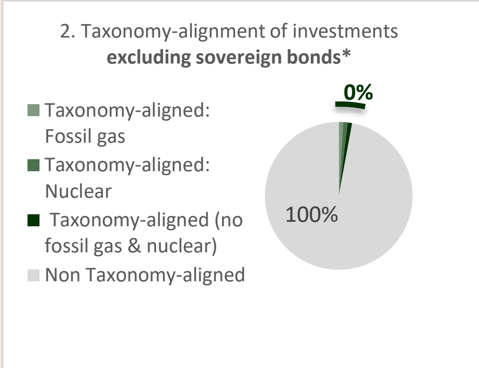
1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective**.**

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.

What is the minimum share of socially sustainable investments?

0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/30a9ae1962775799/original/Article-10-Website-Disclosure-PGIF-Asian-High-Yield-Fund.pdf

Supplement

for the

European Responsible Equity Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the European Responsible Equity Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Fees and expenses may be paid out of the capital of the D2 Unit classes in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holder's investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to seek capital growth over the medium to long term.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its objective by investing principally in equity securities, such as shares, of companies domiciled or with their core business in Europe (including Eastern Europe) that demonstrate positive fundamental change at attractive relative valuations.

Investee companies are considered to be displaying positive fundamental change (synonymous with 'businesses becoming better') where they are seen to be actively improving and becoming stronger. The first step in the process employed by the Sub-Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Sub-Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Sub-Investment Manager analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, as further detailed in section 2 below, that are promoted by the Fund.

The Fund may also invest in real estate investment trusts ("**REITS**") or other REIT-like structures which will be the equivalent of REITS.

The Fund (subject to a maximum of 10% of its Net Asset Value) may also invest in UCITS eligible collective investment schemes, including money market funds and exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments in the event of not being able to invest directly. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds. The Fund will not invest in US exchange traded funds.

The Fund may hold investments from time to time which are listed or traded in Russia on the Moscow exchange. It is not anticipated that such investments will normally constitute a substantial element of the Fund and shall not in any event exceed 15% of the net assets of the Fund.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics considered by the Fund are company contribution towards the United Nations Sustainable Development Goals and environmental stewardship. The social characteristics considered by the Fund are public health, health and safety and workforce and community management.

The Sub-Investment Manager combines an assessment of ESG risks with screening and exclusion criteria. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to MSCI Europe NTR (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or the Sub-Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. The Index is also used to reference relative carbon emissions performance. However, the Investment Manager and/or the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in section 1.3

above are recognised independently of the Index. Information on the methodology of the calculation of the Index can be found from the Index provider's website www.msci.com.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long term and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings of the Prospectus**, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed the Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**"), as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investors (Europe) Limited ("**PGIE**") to act as sub-investment manager to the Fund.

PGIE were appointed pursuant to an Amended and Restated Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement**").

Pursuant to this Sub-Investment Manager Agreement, the Investment Manager has delegated to PGIE overall responsibility for the Fund's investments and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving sixty (60) days' written notice to the other although, in certain circumstances such as the liquidation of the other party, the agreement may be terminated forthwith by notice in writing by either party to the other.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 Unit classes, will be declared and paid annually within two months of the end of each financial year.

Distributions on the D2 Unit classes in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge(%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.50	0	Not more than 0.0220	0.15
D	1,000	5.00	0.75	0.75	Not more than 0.0220	0.15
D2	1,000	5.00	0.75	0.75	Not more than 0.0220	0.15
I	2,000,000	0.00	0.75	0	Not more than 0.0220	0

N	1,000	0.00	0.75	0	Not more than 0.0220	0.15

10.2 For D2 Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the D2 Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

10.3 In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the D2 Unit classes may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Australian Dollar, Hong Kong Dollar, Singapore Dollar
A Class Income	Hedged: N/A Unhedged: US Dollar
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
I Class Accumulation	Hedged: Singapore Dollar Unhedged: US Dollar, Euro, Japanese Yen, Sterling, Australian Dollar, Hong Kong Dollar, Singapore Dollar
I Class Income	Hedged: N/A

	Unhedged: US Dollar, Sterling
N Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro
N Class Income	Hedged: N/A Unhedged: US Dollar, Euro

12 SFDR Annex

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: European Responsible Equity Fund

Legal entity identifier: 549300HJK2U4RWTQJ644

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are company contribution towards the United Nations Sustainable Development Goals and environmental stewardship. The social characteristics considered by the Fund are public health, health and safety and workforce and community management.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

For assessing environmental stewardship, the Sub-Investment Manager considers the percentage of holdings in the Fund's portfolio that have committed themselves to setting a net zero emission target.

For assessing company contribution towards the United Nations Sustainable Development Goals and company's practice on public health, health and safety and workforce and community management, the Sub-Investment Manager considers the SDG contribution using a proprietary SDG tool with validation as part of the Sub-Investment Manager's fundamental investment process.

In addition, the Sub-Investment Manager's investment strategy is expected to monitor ESG performance as measured by the Sub-Investment Manager's proprietary ESG performance tool and external ESG data providers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 4 - Exposure levels for companies active in the fossil fuel sector
- PAI 6 - Energy consumption intensity per high impact climate sector
- PAI 7 - Activities negatively affecting biodiversity-sensitive areas
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 11 - Lack of monitoring the compliance with UNGC principles and OECD guidelines for multinational enterprises (MNEs)

- PAI 13 - Board gender diversity
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its objective by investing principally in equity securities, such as shares, of companies domiciled or with their core business in Europe (including Eastern Europe) that demonstrate positive fundamental change at attractive relative valuations.

Investee companies are considered to be displaying positive fundamental change (synonymous with 'businesses becoming better') where they are seen to be actively improving and becoming stronger. The first step in the process employed by the Sub-Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Sub-Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Sub-Investment Manager analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, as further detailed below, that are promoted by the Fund.

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager combines an assessment of ESG risks with screening and exclusion criteria.

In order to consider ESG risk, the Sub-Investment Manager assigns an ESG risk level to each holding considered within the Fund. To assign the ESG risk levels, the Sub-Investment Manager evaluates an investee company's relationships with each of its stakeholders; shareholders, customers, employees, suppliers and their supply chains, their communities and the environment. The Sub-Investment Manager will use a proprietary methodology incorporating partnership with third party data providers (MSCI, ISS and Bloomberg etc.) to help provide consistent data across the investment universe when making these evaluations. The Sub-Investment Manager will also assign an ESG risk trend of either improving, stable or deteriorating. This risk trend designation provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

The Sub-Investment Manager subsequently uses these ESG risk levels to identify the key risks to the stakeholders and the associated positive change to the environmental and social characteristics to be considered in each holding and references these outcomes in investment decision making.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy are as follows:

1. The Sub-Investment Manager applies a carbon risk score, using MSCI data, to all investee companies in the Fund's portfolio.

2. The Sub-Investment Manager aims for an aggregate carbon risk level for the Fund that is 20% lower than MSCI Europe NTR.

3. The Sub-Investment Manager aims for 40% of the Net Asset Value of the Fund to contribute to the SDGs.

4. The Fund applies exclusions across the following categories and criteria:

   a) excludes thermal coal producers from the Fund's holdings as defined by GICS Industry Sector classification.

   b) excludes companies with involvement in controversial weapons as defined by the ISS Controversial Weapons Research methodology

   c) excludes companies where their revenue is significantly derived from involvement in producing tobacco, as defined by the GICS Industry Sector classification.

   d) excludes companies where their revenue is significantly derived from involvement in the gambling sector, as defined by the GICS Industry Sector classification.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. Improving governance policies and practices are identified as providing a basis for an improved relative valuation, while governance dilution or deterioration represent an inherent source of risk and downward valuation. In order to ensure good governance, the Sub-Investment Manager engages with senior executives from investee companies within the Fund. The Sub-Investment Manager incorporates discussions on the ESG issues of greatest importance as identified by the proprietary ESG risk evaluation of the holding. The Sub-Investment Manager will both look for and ask for actions and plans that fit a SMART framework to address any ESG issues: Specific, Measurable, Attainable, Relevant and Time-bounded. Following this engagement with management, the Sub-Investment Manager will then re-assess the ESG risks to ensure a circular, continual process.

What is the asset allocation planned for this financial product?

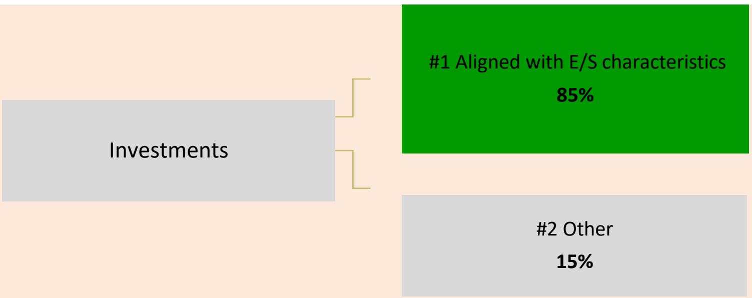
Asset allocation describes the share of

In accordance with the binding elements of the investment strategy, 85% of investments made will be aligned to the E/S characteristics, whilst the remaining 15% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

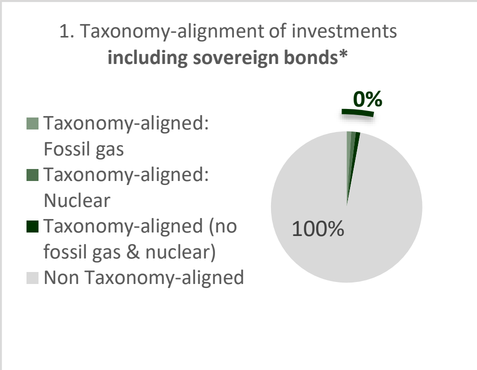
☐ In fossil gas ☐ In nuclear energy

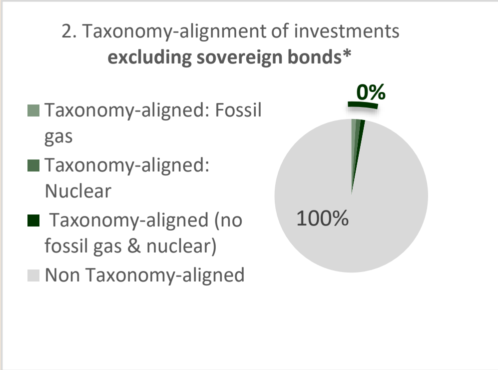
☒ **No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

corresponding to the best performance.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.

What is the minimum share of socially sustainable investments?

0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/696958df190d2a45/original/Article-10-Website-Disclosure-PGIF-European-Responsible-Equity-Fund.pdf

Supplement

for the

Finisterre Emerging Markets Debt Euro Income Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Finisterre Emerging Markets Debt Euro Income Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

As the Fund has the ability to invest more than 20% of its Net Asset Value in emerging markets and/or more than 30% of its Net Asset Value in debt securities which are not rated, or considered to be of below investment grade quality, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Fees and expenses may be paid out of the capital of the A2 Unit classes in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holder's investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and fees will be paid in a manner that foregoes the potential for future capital growth of your investment.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to seek to maximise income, while minimising potential losses due to macro and credit risks.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve the investment objective by actively investing in a diversified range of fixed-income securities and financial derivative instruments ("**FDI**"), a majority (not less than 51% of its Net Asset Value) issued by or relating to underlying issuers in, emerging markets. The Fund may also invest in fixed income securities and FDI issued by or relating to underlying issuers in, developed markets. These include corporate, sovereign and quasi-sovereign entities. The securities and FDIs which the Fund invests in (other than permitted unlisted investments) shall be listed or traded on the markets set out in Appendix E to the Prospectus. The Fund may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**").

The Fund seeks to extract value from investments in both investment grade and high yield fixed income securities rated at least B- by Standard & Poor’s or Fitch, or B3 by Moody’s, or if unrated, deemed by the Sub-Investment Manager to be of comparable quality. Where more than one rating is available for a given instrument, the lower of the two best credit ratings shall be used to determine whether the instrument meets the aforementioned minimum rating requirements ("**Minimum Rating Requirements**"). These instruments can include both stressed and distressed securities (i.e. debt securities and debt-related instruments, as further outlined in paragraphs (a) (i) –(iii) below, of issuers facing financial or operational difficulties such as potential default or bankruptcy risks including below investment grade debt securities). Should any asset be downgraded to below the Minimum Rating Requirements, or Sub-Investment Manager deems it to be below the Minimum Rating Requirements, it will generally be liquidated within 6 months, although it may, at the Sub-Investment Manager's discretion continue to be held in the portfolio if the total value of these assets represents less than 3% of the Fund’s total assets and the Sub-Investment Manager considers that it is in the best interests of the Fund to do so for the purposes of seeking to achieve the investment objective.

Instruments may be denominated in "hard currencies", which are currencies widely accepted around the world as a form of payment for goods and services and generally come from a nation with a strong economic and political situation, such as EUR or USD, or may be denominated in the local currency of the emerging market country.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies, and a careful evaluation of potential credit and macro risks potentially affecting repayment probabilities for both sovereign and corporate entities. Potential credit risks may be triggered from default or restructuring risks arising for fixed income securities that the Fund invests in. Potential macro risks may arise from changes in the macro economic environment adversely affecting the Fund through unwanted local currency and interest rate risks. Its aim is to maximise income and minimise losses due to macro and credit risks while maintaining portfolio liquidity throughout a typical 3-year market cycle.

The Fund seeks to achieve its investment objective of limiting losses due to macro and credit risks by utilising the range of instruments as set out below to vary the construction of the portfolio at different points of a 3-year market cycle. During a period of positive market performance, the Fund may seek to weight its exposure towards higher risk income securities, such as non-investment grade bonds with a long duration, whereas during a period of adverse market performance, the Fund may seek to weight its exposure towards lower risk income securities, such as US treasury notes, or more defensive investment grade securities such as liquid investment grade sovereign bonds with short-term maturity, to potentially minimise the exposure to the negative market performance and limit losses due to macro and credit risks. The foregoing construction of the Fund's portfolio, as well as the use of FDI, as set out in section 1.6 below, to hedge or mitigate certain risks, contribute to reducing macro and credit risk exposure, portfolio risk exposure and downside potential during periods of adverse market conditions and stress.

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed in section 1.3 below.

Subject to compliance with the Regulations, the investment philosophy is fully unconstrained, focused on total return, is not managed either directly or indirectly in reference to a benchmark.

The Fund may invest in the following range of instrument types:

(a) debt-related instruments of corporate, sovereign and quasi-sovereign issuers:

(i) bonds: fixed-coupon bonds, floating-coupon bonds; convertible bonds; callable or puttable bonds which meet the Minimum Rating Requirements, or if unrated, deemed by the Sub-Investment Manager to be of comparable quality;

(ii) Rule 144A securities;

(iii) bills; treasury notes and corporate notes; certificates of deposit; and

(iv) FDI: bond futures and credit default swaps ("**CDS**") and credit linked notes which may embed the foregoing FDI;

(b) currency FDIs including forwards, futures, options and swaps. As further outlined below currency FDIs may be used for both hedging and investment purposes. The currency strategy of the Fund will be implemented by both direct investment in securities denominated in the local currency of an emerging market country and also via the use of FDI.

The Fund may gain exposure to currencies via FDI in order to allow the Fund to benefit from perceived mispricing of such currencies against the Base Currency. If the Sub-Investment Manager believes that a currency is undervalued, it may cause the Fund to purchase such currency through FDI. In addition, if the Sub-Investment Manager believes that a currency is overvalued, it may cause the Fund to sell such currency through FDI;

(c) interest rate FDIs including swaps, futures, forward agreements and options;

(d) total return swaps ("**TRS**") on:

(i) bonds which are locally listed and for which the Fund does not have domestic settlement capabilities; and

(ii) UCITS eligible financial indices, in accordance with the requirements of the Central Bank, the constituents of which include the types of instruments in which the Fund will directly invest as described in this Section 1.2. Any such investment in financial indices may also be made indirectly through UCITS eligible collective investment schemes. The Fund may hold equities as a result of the conversion of a convertible bond or as the result of a debt restructuring. The Sub-Investment Manager shall seek to dispose of such equities as soon as possible while taking into account the best interests of the Fund and its Unitholders.

Of the above bonds that the Fund may use, convertible bonds, callable or puttable bonds, mortgage-backed securities and asset-backed securities may embed FDI (listed herein) and/or leverage. The Fund shall not invest in collateralized loan obligations.

Investments in over the counter ("**OTC**") FDIs are subject to the requirements of the Central Bank. The securities in which the Fund invests may also be in developed markets.

The universe of emerging markets includes any country excluding the G10, Portugal, Spain, Norway, Denmark, Finland, Australia and New Zealand.

The Fund will not invest more than 10% of its Net Asset Value in Russian securities exclusively settled on the Moscow exchange.

It is not possible to comprehensively list in this Supplement all the financial indices used as they have not, as of the date of noting of this Supplement, been selected and they may change from time to time. However, the indices will be eligible indices according to the requirements of the Central Bank and will include bond, CDS and currency indices provided by the major index providers in that area. Additional information regarding the indices used will be available from the Sub-Investment Manager upon request and/or will be set out in the annual reports of the Trust, insofar as that is practical and permitted.

A proportion of the net assets of the Fund may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank’s Guidance in relation to UCITS Acceptable Investments in Other Investment Funds.

The Fund may obtain both long and short exposure to the above instruments as further described in Section 5 below. The Fund may only hold short positions synthetically through the use of the FDIs described below. The short positions will be taken as a means of seeking to reduce the Fund's exposure to market fluctuations, to profit from overvalued assets or assets that are likely to deteriorate in value and to gain/reduce exposure in a cost effective manner.

If in the opinion of the Sub-Investment Manager, it is in the best interests of the Fund, the Fund can retain amounts in cash or ancillary liquid assets (including money market instruments such as fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes and debentures, and cash deposits) pending investment or reinvestment.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager’s Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance*

Disclosures" in section 2 (**General Information**).

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund.

The Fund promotes several environmental and social characteristics as defined in the SFDR, namely greenhouse gas ("**GHG**") emissions, employee welfare and citizen welfare across emerging market countries. The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed below. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalglobal.com/eu/about-us/responsible-investing.

1.4 Disclosures for the Taxonomy Regulation

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is not managed with reference to a benchmark or index and the environmental and social characteristics recognised are identified independently of any index or benchmark.

1.6 Use of FDI

The Fund uses the following FDIs for investment purposes as well as for hedging and/or efficient portfolio management purposes. These FDIs include:

Futures

In purchasing a futures contract, the buyer agrees to purchase a specified underlying on a specified future date. In selling a futures contract, the seller agrees to sell a specified underlying on a specified future date. The price at which the purchase and sale will take place is fixed when the buyer and seller enter into the contract. Futures not calling for physical delivery of the underlying instrument will be settled through cash payments rather than through delivery of the underlying instrument. Futures can be held until their delivery dates or can be closed out by offsetting purchases or sales of futures contracts before then if a liquid market is available. The Fund may realise a gain or loss by closing out its futures contracts.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying. Therefore, purchasing futures contracts will tend to increase the Fund's exposure to positive and negative price fluctuations in the underlying, much as if it had purchased the underlying directly. When the Fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying or the final cash settlement price, as applicable, unless the contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker, known as a futures commission merchant ("**FCM**"), when the contract is entered into. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain is entitled to receive all or a portion of this amount.

Because there are a limited number of types of exchange-traded futures contracts, it is likely that the standardised contracts available will not match the Fund's current or anticipated investments exactly. The Fund may invest in futures contracts based on securities with different issuers, maturities or other characteristics from the securities in which the Fund typically invests, which involves a risk that the futures position will not track the performance of the Fund's other investments.

Futures prices can also diverge from the prices of their underlying, even if the underlying match the Fund's investments well. Futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded or from imposition of daily price fluctuation limits or trading halts. The Fund may purchase or sell futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in the Fund's futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

The Fund may use bond and interest rate futures contracts to efficiently manage the duration, or interest rate sensitivity, of the Fund. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security results in lower transaction costs being incurred and less disruption to the underlying assets of the Fund. The Fund may also use futures contracts to hedge or gain exposure to currencies.

Forwards

A forward contract locks-in the price at which a bond or a specific currency may be purchased or sold on a future date. The contract holders are obliged to buy or sell the bond or currency at a specified price, at a specified quantity and on a specified future date. The party agreeing to buy the underlying in the future assumes the long position, and the party agreeing to sell the asset in the future assumes a short position. This reduces the Fund's exposure to changes in the value of the bond or currency it will deliver and increases its exposure to changes in the value of the bond or currency it will receive for the duration of the contract.

Currency forwards are used to hedge unwanted currency risk. Currency forwards are also used by the Fund for investment purposes to enhance the return of the Fund by achieving a specific currency exposure or to shift exposure to currency fluctuations from one currency to another. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Currency forwards have the risk of currency exposure in the same way as a regular currency spot transaction. Currency forwards are traded OTC and therefore have counterparty risk. Forward contracts also carry roll risk, which is the risk that when a forward contract expires, a new forward to replace the expired one cannot be put into place at the same cost or on the same hedge basis. This may occur due to changes in market liquidity or interest rates, resulting in a potential slippage or loss in the hedge position due to the contract expiration and roll.

Bond forwards are used in the same manner as interest rate futures in markets or where futures contracts are not available or lack suitable liquidity. Bond forwards have the same duration risk as the bond as it is simply a forward settlement of a purchase or sale. In addition, there is counterparty risk associated with these instruments.

Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies or bond prices.

The Fund may use forwards, including currency forwards, for (i) efficient portfolio management or (ii) as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Options

Options are a contract which gives the owner the right, but not the obligation, to buy or sell an underlying at a specified strike price on or before a specified date. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of an underlying at a specified price. The purchase of a put option would allow the Fund to benefit from a decrease in the price of the underlying asset, while also limiting the amount of loss it may sustain. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. These contracts can be used both to gain investment exposure and hedge exposures to the global fixed income markets and the currency markets.

Options can be both exchange traded as well as traded OTC. Options carry the risk of the underlying such as a bond or a currency pair. Options on a bond future also carry the same basis risk as that futures contract. In addition, OTC traded FDI have counterparty risk.

There are a number of reasons why the Fund may choose to use options. In the first instance, such options have a defined pay-out profile which may be attractive to the Fund versus an outright position in the underlying.

Additionally, instruments, such as options, can be used to take a positional view on volatility, which is the amount of uncertainty or risk about the size of changes in an instrument's value. For example, foreign exchange options may also be used to take a positional view on currency volatility whereby the Fund could buy or sell exposure to volatility on a daily basis across a range of currency pairs, irrespective of the direction of the price movements. To do this the Fund may utilise an options strategy called a 'straddle'. A straddle involves the simultaneous purchase of two options at the same strike price and for the same expiry date. For example, exposure to volatility may be bought by buying a 'long straddle' which involves buying a call option and a put option on the same currency. The Fund would profit from any increase in market volatility. Similarly, exposure to volatility may be sold by selling a straddle which involves selling a call option and a put option on the same currency. The Fund would profit from any decline in market volatility.

Swaps

Swaps are individually negotiated and structured to include exposure to a variety of different types of investments or market factors and can vary in term like other fixed-income investments. Most swap agreements are traded over-the-counter. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or swapped between the parties are calculated with respect to a notional amount, which is the predetermined principal of the trade representing the hypothetical underlying quantity upon which payment obligations are computed.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's investments. Swap agreements are subject to liquidity risk, meaning that the Fund may be unable to sell a swap contract to a third party at a favourable price. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

Under a standard interest rate swap, two counterparties agree to exchange specified cash flows for a specified period of time. Generally, a floating rate cash flow is exchanged for a series of fixed interest rate payments. The counterparty that receives the fixed rate payments obtains interest rate exposure similar to buying a fixed rate bond and the other counterparty obtains floating rate interest exposure. The exchanged cash flows are based off a "notional" amount of principal that is not physically exchanged between counterparties. Interest rate swaps are customizable and frequently trade out to 10 years, making interest rate swaps a more flexible tool to be used in managing interest rate risk along the yield curve.

A TRS is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include the types of assets that the Fund can acquire directly as described in Section 2.2 above) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets). The Fund may use TRS to gain exposure to an asset without owning it or taking physical custody of it. For example, if the Fund invests in a TRS on an underlying security, it will receive the price appreciation of the underlying security in exchange for payment of an agreed- upon fee. The Fund will enter into TRS with institutions such as those described in section 6.3 of Appendix A entitled **Investment Restrictions** in the Prospectus.

In a CDS, the credit default protection buyer makes periodic payments, known as premiums, to the credit default protection seller. In return the credit default protection seller will make a payment to the credit default protection buyer upon the occurrence of a specified credit event. A CDS can refer to the types of assets that the Fund can acquire directly as described in Section 2.2 above, each known as the reference entity or underlying asset. The Fund may act as either the buyer or the seller of a CDS. The Fund may buy or sell credit default protection on the assets. In an unhedged CDS, the Fund buys credit default protection on the asset without owning the underlying asset. CDSs involve greater and different risks than investing directly in the reference asset, because, in addition to market risk, CDSs include liquidity, counterparty and operational risk.

CDSs allow the Fund to acquire or reduce credit exposure to a particular issuer or asset. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. If the Fund is the credit default protection seller, the Fund will experience a loss if a credit event occurs and the credit of the reference entity or underlying asset has deteriorated. If the Fund is the credit default protection buyer, the Fund will be required to pay premiums to the credit default protection seller. In the case of a physically settled CDS in which the Fund is the protection seller, the Fund must be prepared to pay par for and take possession of debt of a defaulted issuer delivered to the Fund by the credit default protection buyer. Any loss would be offset by the premium payments the Fund receives as the seller of credit default protection.

Swaptions can be used, whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Swaptions may be used for hedging and investment purposes or, if sold, as a source of additional income in the form of a premium.

The Fund may use swaps for efficient portfolio management or as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Investors' attention is drawn to the information set out in the Prospectus under the headings '**General Information**' and '**Special Investment Considerations and Risks**'.

1.7 Hedged Unit Classes

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.8 Profile of a Typical Investor

Investment in the Fund is suitable for investors seeking income, and who are prepared to accept a medium degree of volatility of Net Asset Value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply. In addition the following investment restrictions shall apply to the Fund.

The Fund shall not invest more than:

- 10% of its Net Asset Value in Rule 144A securities;
- 10% of its Net Asset Value in non-Euro and non-US dollar denominated developed market government bonds;
- 50% of its Net Asset Value in emerging market local currency sovereign fixed income securities;
- 10% of its Net Asset Value in convertible bonds and shall not invest in contingent convertible securities ("**CoCos**"); or
- 10% of its Net Asset Value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which are below investment grade. Where a security is rated, any assessment of the grade of the bonds in which the Fund invests must be made by a nationally recognized statistical rating organization such as, but not limited to Moody's, Standard & Poor's or Fitch.

3 SECURITIES FINANCING TRANSACTIONS

The Fund may enter into the following collateralised securities lending transactions from time to time - repurchase, reverse repurchase and stock lending agreements (together "**Repo Agreements**"), in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements. Such Securities Financing Transactions will only be utilised for efficient portfolio management purposes.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

When engaging in securities lending the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

When entering into a reverse repurchase agreement the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

When entering into a repurchase agreement the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

The proportion of assets of the Fund that are subject to Repo Agreements shall not exceed 100% of the Fund's assets under management, but will typically be less than 70% and there may be times when this is significantly lower or indeed when these instruments are not used at all. The Fund may use Repo Agreements to gain exposure to the instruments detailed in the Investment Policies above.

The proportion of assets of the Fund that are subject to TRS shall not exceed 100% of the Fund's assets under management, but will typically be less than 70% and there may be times when this is significantly lower or indeed when these instruments are not used at all. The Fund may use TRS to gain exposure to bonds (whether issued and settled in local currencies or not), bond indices, currency indices, CDS indices, ETFs (tracking bond indices), provided always that all indices are UCITS eligible financial indices.

The proportion may be dependent on, but is not limited to, factors such as the total Fund size and seasonal trends in the underlying market.

The Fund will enter into such transactions with institutions such as those described in Section 6.3 of **Appendix A entitled Investment Restrictions** in the Prospectus.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Manager on behalf of the Unit Trust or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust from time to time shall be included in the relevant semi-annual and annual reports of the Unit Trust. Neither the Investment Manager nor the Sub-Investment Manager receive reimbursements for costs or fees relating to the use of TRS by the Fund.

From time to time, the Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Trustee or other service providers of the Unit Trust. Such engagement may on occasion cause a conflict of interest with the role of the Trustee or other service provider in respect of the Unit Trust. Please refer to Section 7.7 of the Prospectus, entitled **Conflicts of Interest**, for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the semi-annual and annual reports of the Unit Trust.

While the Manager on behalf of the Unit Trust will conduct appropriate due diligence in the selection of counterparties, it is noted that the Central Bank Requirements do not prescribe any pre trade eligibility criteria for counterparties to a fund's Securities Financing Transactions. The Manager will however take into consideration the legal status, country of origin, credit rating and minimum credit rating (where relevant) of counterparties to both Securities Financing Transactions and TRS. The Manager shall, in considering the foregoing, seek to select counterparties that it believes to be creditworthy and financially sound, which typically have a minimum credit rating of A-2 or equivalent, or are deemed by the Manager to have an implied rating of A-2 or equivalent. Typically the Manager will seek counterparties that are body corporates established in developed jurisdictions.

Repurchase/reverse repurchase agreements, TRS or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to Section 3 of the Prospectus entitled **Special Investment Considerations and Risks,** as well as Section 7 below in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the risk management process of the Unit Trust.

4 BORROWINGS, LEVERAGE AND LONG/SHORT POSITIONS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

The Sub-Investment Manager uses a risk management technique known as Absolute VaR to assess the Fund's market risk to seek to ensure that its use of FDI is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed 4.47% calculated using a non-parametric approach with a one-tailed 99% confidence level for a daily horizon and considering at least two years of historical data.

The Fund may be leveraged through the use of FDI as described above. It is expected that the Fund could incur gross notional leverage up to 300% of its Net Asset Value through the use of FDI, but the Fund may at times incur higher levels of leverage. Leverage is calculated as the sum of the absolute value of notionals of the FDI. This is not necessarily in the view of the Manager and the Sub-Investment Manager, an indicator of the level of economic leverage within the Fund as a result of the use of FDIs as this methodology does not reflect any netting or hedging arrangements that the Fund may have in place.

The Fund may take both long and short positions, and is typically expected to remain within the range of a maximum absolute value of 200% short and a maximum value of 200% long of the Fund's Net Asset Value.

5 INVESTMENT MANAGER

The Manager has appointed the Investment Manager, Principal Global Investors, LLC, as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investors (Europe) Limited (the "**Sub-Investment Manager**") to act as a sub-investment manager to the Fund. The Investment Manager has delegated to them overall responsibility for the Fund's investments and related aspects of the management of the Fund.

Principal Global Investors (Europe) Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom (the "**FCA**").

The Sub-Investment Manager will assume primary responsibility for discretionary portfolio management for the Fund subject to the oversight of the Investment Manager. The Investment Manager as a delegate of the Manager remains responsible for the oversight of its delegates and the Manager is ultimately responsible for the oversight of the discretionary portfolio management activities of the Fund.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of Investment in China, Investment in Russia and Convertible Bonds are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund will be declared and paid quarterly within 30 days of the end of each calendar quarter. Such distributions may be paid in Units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

Euro

Initial Issue Price in respect of any unlaunched classes of Units

EUR10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than Euro, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000 and the X classes which have an initial issue price of EUR 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Initial Charge in respect of the Z Unit classes only

In relation to the Z Unit classes only, the Manager reserves the right to apply an initial charge of up to 5% of each investor's initial subscription amount.

Business Day

Any day on which banks are open for business in Ireland, other than Saturday or Sunday provided that it is not a public holiday in the United Kingdom or the United States.

Dealing Day

Every Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Dealing Deadline

Subscriptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Redemptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Administration Fee (% per annum)	Marketing and Distribution Fee (% per	Annual Trustee Fee (% per annum)

	Class Currency)				annum)	
I	2,000,000	0.00	0.70	0.00	0.00	Not more than 0.0220
I2	100,000,000	0.00	0.50	0.00	0.00	Not more than 0.0220
I3	20,000,000	0.00	0.60	0.00	0.00	Not more than 0.0220
A	1,000	5.00	1.25	0.15	0.00	Not more than 0.0220
A2	1,000	5.00	1.40	0.15	0.00	Not more than 0.0220
F	1,000	0.00	0.70	0.15	1.10	Not more than 0.0220
N	1,000	0.00	0.70	0.15	0.00	Not more than 0.0220
X	1,000,000,000	0.00	0.00	0.00	0.00	Not more than 0.0220
Z	20,000,000	0.00	0.50	0.00	0.00	Not more than 0.0220

The costs of establishing the Fund, which did not exceed EUR 25,000, are being borne by the Fund and amortised over the first five years of the Fund. Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading Charges and Expenses.

10.2 For A2 Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2 Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes. In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2 Unit classes may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.3 Z Class Units have been established by the Manager for early investors coming into the Fund. Z Class Units are solely available to investors meeting the Minimum Initial Subscription detailed in section 10.1. These Units are not available to investors or platforms that do not individually meet the Minimum Initial Subscription but are accessing the fund via a pooled or aggregator account.

10.4 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the **heading General Information; Income Units, Income Plus Units and accumulation Units.**

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	Euro
A Class Accumulation	Hedged: Swiss Franc, US Dollar Unhedged: Euro
A Class Income	Hedged: Swiss Franc, US Dollar Unhedged: Euro
A2 Class Income	Hedged: Singapore Dollar, US Dollar Unhedged: Euro
F Class Accumulation	Hedged: US Dollar Unhedged: Euro
F Class Income	Hedged: US Dollar Unhedged: Euro
I Class Accumulation	Hedged: Danish Kroner, Japanese Yen, Norwegian Krone, Singapore Dollar, Sterling, Swedish Krona, Swiss Franc, US Dollar Unhedged: Euro
I Class Income	Hedged: Danish Kroner, Japanese Yen, Norwegian Krone, Singapore Dollar, Sterling, Swedish Krona, Swiss Franc, US Dollar Unhedged: Euro
I2 Class Accumulation	Hedged: Sterling, Swiss Franc, US Dollar Unhedged: Euro
I2 Class Income	Hedged: Sterling, Swiss Franc, US Dollar Unhedged: Euro
I3 Class Accumulation	Hedged: Sterling, US Dollar Unhedged: Euro

I3 Class Income	Hedged: Sterling, US Dollar Unhedged: Euro
N Class Accumulation	Hedged: Danish Kroner, Norwegian Krone, Singapore Dollar, Sterling, Swedish Krona, Swiss Franc, US Dollar Unhedged: Euro
N Class Income	Hedged: Danish Kroner, Norwegian Krone, Singapore Dollar, Sterling, Swedish Krona, Swiss Franc, US Dollar Unhedged: Euro
Z Class Accumulation	Hedged: US Dollar Unhedged: Euro
Z Class Income	Hedged: US Dollar Unhedged: Euro
X Class Accumulation	Hedged: US Dollar Unhedged: Euro
X Class Income	Hedged: US Dollar Unhedged: Euro

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Finisterre Emerging Markets Debt Euro Income Fund

Legal entity identifier: 5493000KQTE9LBJR5171

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes greenhouse gas (“**GHG**”) emissions, employee welfare and citizen welfare across emerging market countries.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Manager uses exclusionary screening to measure the attainment of each of the characteristics promoted by the Fund:

<u>Corporate Issuers:</u>

For assessing a corporate issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to thermal or fossil fuel electricity generation or coal or other controversial fuel production.

For assessing a corporate issuer's practice on employee welfare, the Sub-Investment Manager considers exposure to United Nations Global Compact ("**UNGC**") violations.

For assessing a corporate issuer's practice on citizen welfare, the Sub-Investment Manager considers exposure to conventional weapons.

Sovereign Issuers:
For assessing a sovereign issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to GHG emissions in kg/$GDP.

For assessing a sovereign issuer's practice on citizen welfare, the Sub-Investment Manager considers the negative change in the issuer's overall MSCI ESG scoring on a rolling 12-month basis.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ Yes

The Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.
Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve the investment objective by actively investing in a diversified range of fixed-income securities and financial derivative instruments ("**FDI**"), a majority (not less than 51% of its Net Asset Value) issued by or relating to underlying issuers in, emerging markets. The Fund may also invest in fixed income securities and FDI issued by or relating to underlying issuers in developed markets.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies, and a careful evaluation of potential credit and macro risks potentially affecting repayment probabilities for both sovereign and corporate entities.

The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed below.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the Fund's investment strategy are as follows:

1. A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment. The Fund will exclude holdings as identified by MSCI data:
    a. where issuers generate at least 5% of their revenue from
        i. tobacco production
        ii. adult entertainment.
    b. Derive any revenue from having any involvement in the manufacturing or trade of controversial weapons.

2. Screening criteria is applied as part of its investment decision making process (both prior to investment and ongoing review of the Fund's holdings) . The Fund implements and monitors the criteria using MSCI data.
    a. The Fund will not invest in corporate issuers which exhibit any of the below features, unless cleared for investment by the Sub-Investment Manager's ESG committee:
        i. GHG Emissions: corporate issuers with a 30% revenue threshold in thermal or fossil fuel electricity generation or coal or other controversial fuel production;
        ii. Employee Welfare: corporate issuers with significant United Nations Global Compact ("**UNGC**") violations in respect of the ten UNGC principles guiding corporate behaviour in the areas of human rights, labour rights, environment and corruption i.e., rated by MSCI as having either a 0 / "Fail" or 1 / "Severe" ESG controversy score in

terms of degree of severity, how structural the issue is to the business and its current status (concluded or ongoing). Companies that have cases rated with low scores either fail the UNGC principles or are put on a watch-list where the case is still ongoing and may still evolve positively or negatively;

iii. Citizen Welfare: corporate issuers with a 5% revenue threshold in conventional weapons.

b. The Fund will not invest in sovereign issuers which exhibit any of the below features, unless cleared by the Sub-Investment Manager's ESG committee:

   i. GHG Emissions: are in the global top 10% of greenhouse gas emissions in kg/$GDP; and

   ii. Citizen Welfare: sovereign issuers with a greater than 10% rating downgrade relating to MSCI ESG scoring on a rolling 12-month basis.

This selection criteria may not be disapplied or overridden by the Sub-Investment Manager. Issuers identified according to the above screening criteria are then subject to the Sub-Investment Manager's ESG committee-based qualitative review process. The review, which may not be disapplied or overridden by the Sub-Investment Manager, is triggered as soon as the above thresholds are reached or exceeded and aims to assess the merits of investment in, maintenance or exclusion of particular holdings through focussing on the qualitative details of the MSCI ESG assessment report, supplemented by any specific complementary and research analysis by the analyst in charge of issuer. The review will, amongst other things, include an assessment on the Sub-Investment Manager's ability to engage with issuer(s) and the probable outcomes of doing so, as well as the resultant impact on the aforementioned ESG characteristics promoted by the Fund and of maintaining or divesting such holdings.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies and addresses governance considerations through evaluation of the status of certain issuers with regards to ESG controversies/deterioration flagged by periodic ESG monitoring and decides on their maintenance or potential exclusion as eligible portfolio investments as a result.

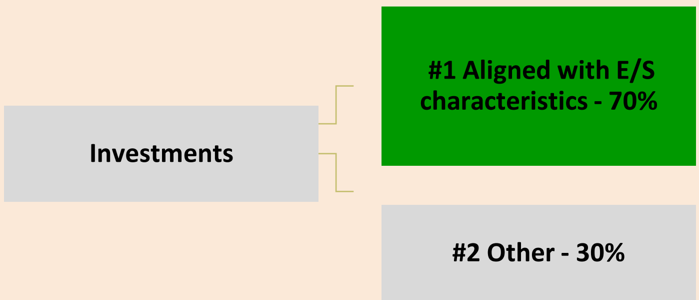
What is the asset allocation planned for this financial product?

In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will either be cash, cash equivalents, derivatives and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.be cash, cash equivalents, and hedging instruments which do not affect the promoted environmental and / or social characteristics of the Fund.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

— **turnover** reflecting the share of revenue from green activities of investee companies



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

— **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

— **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are used but not for the purposes of attaining the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

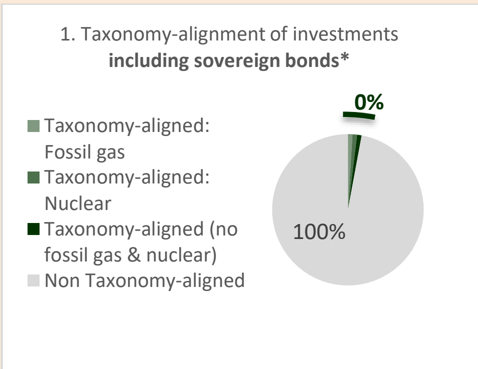
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

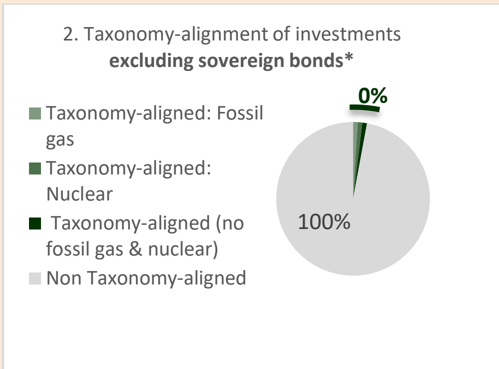
☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

☒ **No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

0%

The investments included under "#2 Other" are cash, cash equivalents, derivatives and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/7eb2ddbd7b5fe1e5/original/Article-10-Website-Disclosure-PGIF-Finisterre-EM-Debt-Euro-Income-Fund.pdf

Supplement

for the

Finisterre Unconstrained Emerging Markets Fixed Income Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Finisterre Unconstrained Emerging Markets Fixed Income Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 ("Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2 and Income Plus Units, in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holder's investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to seek to generate total returns through income and capital appreciation, while limiting volatility and potential capital losses.

1.2 Investment Policies

The Fund seeks to achieve its objective by actively investing in a diversified range of fixed-income and financial derivative instruments ("**FDI**"), a majority (not less than 51%) issued by or referencing emerging markets. These include corporate, sovereign and quasi-sovereign entities.

The Fund seeks to extract value from investments in both investment grade and high yield fixed income instruments, and can include both stressed and distressed securities (i.e. those issuers facing financial or operational difficulties such as potential default or bankruptcy risks). Instruments may be denominated in "hard currencies", which are currencies widely accepted around the world as a form of payment for goods and services and generally come from a nation with a strong economic and political situation, such as USD or EUR, or may be denominated in the local currency of the emerging market country.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies for both sovereign and corporate entities. Its aim is to maximise yield and minimise volatility while maintaining portfolio liquidity throughout a typical 3-year market cycle. The investment philosophy is fully unconstrained, focused on total return, is not managed in reference to a benchmark and invests with an intent to limit potential capital loss through, inter alia, active portfolio management, including asset allocation, credit selection and issuer diversification, and to deliver a superior return adjusted for a minimal level of volatility through the whole market cycle.

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed in section 1.3 below.

The Fund may invest in the following range of instrument types:

(a) debt-related instruments of corporate, sovereign and quasi-sovereign issuers:

   (i) cash securities: fixed-coupon bonds, floating-coupon bonds; convertible bonds (including contingent convertible securities ("**CoCos**")); callable or puttable bonds; mortgage-backed securities; asset-backed securities; bills; notes; certificates of deposit; and

   (ii) FDI: bond futures and credit default swaps ("**CDS"**);

(b) currency FDIs including forwards, futures, options and swaps;

(c) interest rate FDIs including swaps, futures, forward agreements and options;

(d) other types of FDI including total return swaps ("**TRS**") on:

(i) bonds which are locally listed and for which the Fund does not have domestic settlement capabilities; and

(ii) UCITS eligible financial indices, in accordance with the requirements of the Central Bank, the constituents of which include the types of instruments in which the Fund will directly invest as described in this Section 1.2. Any such investment in financial indices may also be made indirectly through UCITS eligible collective investment schemes.

The Fund may hold equities as a result of the conversion of a convertible bond or as the result of a debt restructuring.

Of the above cash securities that the Fund may use, convertible bonds, callable or puttable bonds, mortgage-backed securities and asset-backed securities may embed FDI (listed herein) and/or leverage.

These instruments may be issued by, or relate to underlying issuers in, emerging markets or developed markets. Investments in over the counter ("**OTC**") FDIs are subject to the requirements of the Central Bank. The securities in which the Fund invests may or may not be of investment grade as determined by Moody's, Standard & Poor's or Fitch or may be unrated and may also be in developed markets.

The universe of emerging markets includes any country excluding the G10, Portugal, Spain, Norway, Denmark, Finland, Australia and New Zealand.

The Fund will not invest more than 10% of its Net Asset Value in Russian securities exclusively settled on either MICEX or RTS Stock Exchange.

The Fund may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**").

It is not possible to comprehensively list in this Supplement all the financial indices used as they have not, as of the date of noting of this Supplement, been selected and they may change from time to time. However, the indices will be eligible indices according to the requirements of the Central Bank and will include bond, CDS and currency indices provided by the major index providers in that area. Additional information regarding the indices used will be available from the Sub-Investment Manager upon request.

A proportion of the net assets of the Fund may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets.

The Fund may obtain both long and short exposure to the above instruments as further described in Section 5 below. The Fund may only hold short positions synthetically through the use of the FDIs described below. The short positions will be taken as a means of seeking to reduce the Fund's exposure to market fluctuations, to profit from overvalued assets or assets that are likely to deteriorate in value and to gain/reduce exposure in a cost effective manner.

If in the opinion of the Sub-Investment Manager, it is in the best interests of the Fund, the Fund can retain amounts in cash or ancillary liquid assets (including money market instruments such as fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes and debentures, and cash deposits) pending investment or reinvestment.

As the Fund has the ability to invest more than 20% of its Net Asset Value in emerging markets and/or more than 30% of its Net Asset Value in debt securities which are not rated, or considered to be of below investment grade quality, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund.

The Fund promotes several environmental and social characteristics as defined in the SFDR, namely greenhouse gas ("**GHG**") emissions, employee welfare and citizen welfare across emerging market countries. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalglobal.com/eu/about-us/responsible-investing.

1.4 **Disclosures for the Taxonomy Regulation**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is not managed with reference to a benchmark or index and the environmental and social characteristics recognised are identified independently of any index or benchmark.

1.6 Use of FDI

The Fund uses the following FDIs for investment purposes as well as for hedging and/or efficient portfolio management purposes. These FDIs include:

Futures

In purchasing a futures contract, the buyer agrees to purchase a specified underlying on a specified future date. In selling a futures contract, the seller agrees to sell a specified underlying on a specified future date. The price at which the purchase and sale will take place is fixed when the buyer and seller enter into the contract. Futures not calling for physical delivery of the underlying instrument will be settled through cash payments rather than through delivery of the underlying instrument. Futures can be held until their delivery dates or can be closed out by offsetting purchases or sales of futures contracts before then if a liquid market is available. The Fund may realise a gain or loss by closing out its futures contracts.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying. Therefore, purchasing futures contracts will tend to increase the Fund's exposure to positive and negative price fluctuations in the underlying, much as if it had purchased the underlying directly. When the Fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying or the final cash settlement price, as applicable, unless the contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker, known as a futures commission merchant ("**FCM**"), when the contract is entered into. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain is entitled to receive all or a portion of this amount.

Because there are a limited number of types of exchange-traded futures contracts, it is likely that the standardised contracts available will not match the Fund's current or anticipated investments exactly. The Fund may invest in futures contracts based on securities with different issuers, maturities or other characteristics from the securities in which the Fund typically invests, which involves a risk that the futures position will not track the performance of the Fund's other investments.

Futures prices can also diverge from the prices of their underlying, even if the underlying match the Fund's investments well. Futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded or from imposition of daily price fluctuation limits or trading halts. The Fund may purchase or sell futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in the Fund's futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

The Fund may use bond and interest rate futures contracts to efficiently manage the duration, or interest rate sensitivity, of the Fund. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security results in lower transaction costs being incurred and less disruption to the underlying assets of the Fund. The Fund may also use futures contracts to hedge or gain exposure to currencies.

Forwards

A forward contract locks-in the price at which a bond or a specific currency may be purchased or sold on a future date. The contract holders are obliged to buy or sell the bond or currency at a specified price, at a specified quantity and on a specified future date. The party agreeing to buy the underlying in the future assumes the long position, and the party agreeing to sell the asset in the future assumes a short position. This reduces the Fund's exposure to changes in the value of the bond or currency it will deliver and increases its exposure to changes in the value of the bond or currency it will receive for the duration of the contract.

Currency forwards are used both to hedge unwanted currency risk, to enhance the return of the Fund by achieving a specific currency exposure or to shift exposure to currency fluctuations from one currency to another. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Currency forwards have the risk of currency exposure in the same way as a regular currency spot transaction. Currency forwards are traded OTC and therefore have counterparty risk. Forward contracts also carry roll risk, which is the risk that when a forward contract expires, a new forward to replace the expired one cannot be put into place at the same cost or on the same hedge basis. This may occur due to changes in market liquidity or interest rates, resulting in a potential slippage or loss in the hedge position due to the contract expiration and roll.

Bond forwards are used in the same manner as interest rate futures in markets or where futures contracts are not available or lack suitable liquidity. Bond forwards have the same duration risk as the bond as it is simply a forward settlement of a purchase or sale. In addition, there is counterparty risk associated with these instruments.

Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies or bond prices.

The Fund may use forwards for efficient portfolio management or as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Options

Options are a contract which gives the owner the right, but not the obligation, to buy or sell an underlying at a specified strike price on or before a specified date. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of an underlying at a specified price. The purchase of a put option would allow the Fund to benefit from a decrease in the price of the underlying asset, while also limiting the amount of loss it may sustain. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. These contracts can be used both to gain investment exposure and hedge exposures to the global fixed income markets and the currency markets.

Options can be both exchange traded as well as traded OTC. Options carry the risk of the underlying such as a bond or a currency pair. Options on a bond future also carry the same basis risk as that futures contract. In addition, OTC traded FDI have counterparty risk.

There are a number of reasons why the Fund may choose to use options. In the first instance, such options have a defined pay-out profile which may be attractive to the Fund versus an outright position in the underlying.

Additionally, instruments, such as options, can be used to take a positional view on volatility, which is the amount of uncertainty or risk about the size of changes in an instrument's value. For example, foreign exchange options may also be used to take a positional view on currency volatility whereby the Fund could buy or sell exposure to volatility on a daily basis across a range of currency pairs, irrespective of the direction of the price movements. To do this the Fund may utilise an options strategy called a 'straddle'. A straddle involves the simultaneous purchase of two options at the same strike price and for the same expiry date. For example, exposure to volatility may be bought by buying a 'long straddle' which involves buying a call option and a put option on the same currency. The Fund would profit from any increase in market volatility. Similarly, exposure to volatility may be sold by selling a straddle which involves selling a call option and a put option on the same currency. The Fund would profit from any decline in market volatility.

Swaps

Swaps are individually negotiated and structured to include exposure to a variety of different types of investments or market factors and can vary in term like other fixed-income investments. Most swap agreements are traded over-the-counter. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or swapped between the parties are calculated with respect to a notional amount, which is the predetermined principal of the trade representing the hypothetical underlying quantity upon which payment obligations are computed.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's investments. Swap agreements are subject to liquidity risk, meaning that the Fund may be unable to sell a swap contract to a third party at a favourable price. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

Under a standard interest rate swap, two counterparties agree to exchange specified cash flows for a specified period of time. Generally, a floating rate cash flow is exchanged for a series of fixed interest rate payments. The counterparty that receives the fixed rate payments obtains interest rate exposure similar to buying a fixed rate bond and the other counterparty obtains floating rate interest exposure. The exchanged cash flows are based off a "notional" amount of principal that is not physically exchanged between counterparties. Interest rate swaps are customizable and frequently trade out to 10 years, making interest rate swaps a more flexible tool to be used in managing interest rate risk along the yield curve.

A TRS is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include the types of assets that the Fund can acquire directly as described in Section 1.2 above) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets). The Fund may use TRS to gain exposure to an asset without owning it or taking physical custody of it. For example, if the Fund invests in a TRS on an underlying security, it will receive the price appreciation of the underlying security in exchange for payment of an agreed- upon fee. The Fund will enter into TRS with institutions such as those described in section 6.3 of Appendix A entitled **Investment Restrictions** in the Prospectus.

In a CDS, the credit default protection buyer makes periodic payments, known as premiums, to the credit default protection seller. In return the credit default protection seller will make a payment to the credit default protection buyer upon the occurrence of a specified credit event. A CDS can refer to the types of assets that the Fund can acquire directly as described in Section 1.2 above, each known as the reference entity or underlying asset. The Fund may act as either the buyer or the seller of a CDS. The Fund may buy or sell credit default protection on the assets. In an unhedged CDS, the Fund buys credit default protection on the asset without owning the underlying asset. CDSs involve greater and different risks than investing directly in the reference asset, because, in addition to market risk, CDSs include liquidity, counterparty and operational risk.

CDSs allow the Fund to acquire or reduce credit exposure to a particular issuer or asset. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. If the Fund is the credit default protection seller, the Fund will experience a loss if a credit event occurs and the credit of the reference entity or underlying asset has deteriorated. If the Fund is the credit default protection buyer, the Fund will be required to pay premiums to the credit default protection seller. In the case of a physically settled CDS in which the Fund is the protection seller, the Fund must be prepared to pay par for and take possession of debt of a defaulted issuer delivered to the Fund by the credit default protection buyer. Any loss would be offset by the premium payments the Fund receives as the seller of credit default protection.

Swaptions can be used, whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Swaptions may be used for hedging and investment purposes or, if sold, as a source of additional income in the form of a premium.

The Fund may use swaps for efficient portfolio management or as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Investors' attention is drawn to the information set out in the Prospectus under the headings '**General Information**' and '**Special Investment Considerations and Risks**'.

1.7 Profile of a Typical Investor

The Fund is suitable for investors who are prepared to accept, in normal market conditions, a medium degree of volatility of Net Asset Value from time to time.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

The Fund's investments will (save for permitted unlisted investments) be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus.

3 SECURITIES FINANCING TRANSACTIONS

The proportion of assets of the Fund that are subject to Repo Agreements shall not exceed 100% of the Fund's assets under management, but will typically be less than 70%. The Fund may use Repo Agreements to gain exposure to the instruments detailed in the Investment Policies above.

The proportion of assets of the Fund that are subject to TRS shall not exceed 100% of the Fund's assets under management, but will typically be less than 70%. The Fund may use TRS to gain exposure to bonds (whether issued and settled in local currencies or not), bond indices, currency indices, CDS indices, ETFs (tracking bond indices), provided always that all indices are UCITS eligible financial indices.

The proportion may be dependent on, but is not limited to, factors such as the total Fund size and seasonal trends in the underlying market.

The Fund will enter into such transactions with institutions such as those described in Section 6.3 of Appendix A entitled Investment Restrictions in the Prospectus.

Please refer to Section 3 of the Prospectus entitled **Special Investment Considerations and Risks**, as well as Section 8 below in respect of the risks related to **Securities Financing Transactions**. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the risk management process of the Unit Trust.

4 COLLATERAL

In the context of efficient portfolio management techniques and/or the use of derivatives for hedging or investment purposes, collateral may be received from a counterparty for the benefit of the Fund or posted to a counterparty by or on behalf of the Fund.

Any receipt or posting of collateral by the Fund will be conducted in accordance with the Central Bank Requirements and the terms of the collateral policy outlined in the Prospectus.

5 BORROWINGS, LEVERAGE AND LONG/SHORT POSITIONS

In accordance with the general provisions set out under the heading "General Information – Borrowings" of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

The Sub-Investment Manager uses a risk management technique known as Absolute VaR to assess the Fund's market risk to seek to ensure that its use of FDI is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed 4.47% calculated using a non-parametric approach with a one-tailed 99% confidence level for a daily horizon and considering at least two years of historical data.

It is expected that the Fund could incur gross notional leverage up to 15 times (1,500%) the Fund's Net Asset Value through the use of FDI, but the Fund may at times incur higher levels of leverage. The 15 times (1,500%) figure allows for the potential use of short term rates derivatives with very low duration, cross-country relative value or basis strategies, whose notional impact may be particularly high, but whose VaR impact is much more limited. Leverage is calculated as the sum of the absolute value of notionals of the FDI. This is not necessarily in the view of the Manager and the Sub-Investment Manager, an indicator of the level of economic leverage within the Fund as a result of the use of FDIs as this methodology does not reflect any netting or hedging arrangements that the Fund may have in place.

The Fund may take both long and short positions, and is typically expected to remain within the range of 400% short and 800% long of the Fund's Net Asset Value on a net notional basis.

By way of example, if the sum of the notionals of long positions is 550% and of the short positions is 950%, then the absolute sum of notionals is 1,500% but the net notional amount is 400% short.

6 INVESTMENT MANAGER

The Manager has appointed the Advisor, Principal Global Investors, LLC, as Investment Manager to the Fund pursuant to the Investment Managers Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving six (6) months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

7 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investors (Europe) Limited (the "**Sub-Investment Manager**") to act as a sub-investment adviser to the Fund. The Investment Manager has delegated to them overall responsibility for the Fund's investments and related aspects of the management of the Fund.

Principal Global Investors (Europe) Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom (the "**FCA**").

The Sub-Investment Manager will assume primary responsibility for discretionary portfolio management for the Fund subject to the oversight of the Investment Manager. The Investment Manager as a delegate of the Manager remains responsible for the oversight of its delegates and the Manager is ultimately responsible for the oversight of the discretionary portfolio management activities of the Fund.

8 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks, the FDI and Securities Financing Transactions Risks, Convertible Bonds and the Contingent Convertible Instruments (“**CoCos**”) Risks, the Sustainable Finance Disclosures Risks as well as the risks in relation to Investment in China and Investment in Russia are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

9 DISTRIBUTION POLICY

The general distribution policy set out under the heading "**Distribution Policy**" of the Prospectus applies to the Fund.

Distributions on the Income and Income Plus Units in the Fund, with the exception of the D2 Class Income Units, will be declared and paid quarterly within 30 days of the end of each calendar quarter. Distributions on the D2 Class Income Units in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

10 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US Dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day on which banks are open for business in Ireland, other than Saturday or Sunday provided that this is not a public holiday in the United Kingdom and the United States.

Dealing Day

Every Business Day.

Dealing Deadline

Subscriptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Redemptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

11 CHARGES AND EXPENSES

11.1 The Sub-Investment Manager's fees are paid by the Investment Manager from the annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Administration Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)
A	1,000	5.00	1.50	0.15	0	Not more

						than 0.022
A2	1,000	5.00	1.50	0.15	0	Not more than 0.022
D	1,000	5.00	0.85	0.15	0.60	Not more than 0.022
D2	1,000	5.00	0.85	0.15	0.60	Not more than 0.022
F	1,000	0.00	0.85	0.15	1.10	Not more than 0.022
I	2,000,000	0.00	0.85	0	0	Not more than 0.022
I2	100,000,000	0.00	0.55	0	0	Not more than 0.022
I3	20,000,000	0.00	0.70	0	0	Not more than 0.022
N	1,000	0.00	0.85	0.15	0	Not more than 0.022
P	1,000	0.00	0.85	0.15	0.15	Not more than 0.022
P2	1,000	0.00	0.85	0.15	0.15	Not more than 0.022

11.2 The costs of establishing the Fund, which did not exceed USD 25,000, are being borne by the Fund and amortised over the first five years of the Fund.

11.3 For A2, D2 and Income Plus Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2 and Income Plus Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

11.4 In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2 and Income Plus Unit classes may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

11.5 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading "**Charges and Expenses**".

12 OTHER INFORMATION

12.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Hong Kong Dollar
A Class Income	Hedged: Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
A2 Class Income	Hedged: Euro, Singapore Dollar Unhedged: US Dollar, Euro, Sterling
A2 Class Income Plus	Hedged: Euro, Singapore Dollar Unhedged: US Dollar, Euro, Sterling
D Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
D Class Income	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
I Class Accumulation	Hedged: Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
I Class Income	Hedged: Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling

I2 Class Accumulation	Hedged: Australian Dollar, Euro, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
I2 Class Income	Hedged: Australian Dollar, Euro, Sterling, Swiss Franc Unhedged: US Dollar, Canadian Dollar
I3 Class Accumulation	Hedged: Australian Dollar, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
I3 Class Income	Hedged: Australian Dollar, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
F Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
F Class Income	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
N Class Accumulation	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
N Class Income	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
P Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
P Class Income	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
P2 Class Income Plus	Hedged: Euro, Singapore Dollar Unhedged: US Dollar, Euro, Sterling

13 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Finisterre Unconstrained Emerging Markets Fixed Income Fund

Legal entity identifier: 549300EGJ87RK9TQK072

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: ___%**

☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes greenhouse gas ("**GHG**") emissions, employee welfare and citizen welfare across emerging market countries.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

environmental or social characteristics promoted by the financial product are attained.

The Sub-Investment Manager uses exclusionary screening to measure the attainment of each of the characteristics promoted by the Fund:

Corporate Issuers:

For assessing a corporate issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to thermal or fossil fuel electricity generation or coal or other controversial fuel production.

For assessing a corporate issuer's practice on employee welfare, the Sub-Investment Manager considers exposure to United Nations Global Compact ("**UNGC**") violations.

For assessing a corporate issuer's practice on citizen welfare, the Sub-Investment Manager considers exposure to conventional weapons.

Sovereign Issuers:

For assessing a sovereign issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to GHG emissions in kg/$GDP.

For assessing a sovereign issuer's practice on citizen welfare, the Sub-Investment Manager considers the negative change in the issuer's overall MSCI ESG scoring on a rolling 12-month basis.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** The Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its objective by actively investing in a diversified range of fixed-income and financial derivative instruments ("**FDI**"), a majority (not less than 51%) issued by or referencing emerging markets. These include corporate, sovereign and quasi-sovereign entities.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies for both sovereign and corporate entities.

The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed below.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the Fund's investment strategy are as follows:

1. A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment. The Fund will exclude holdings as identified by MSCI data:
   a. where issuers generate at least 5% of their revenue from
      i. tobacco production
      ii. adult entertainment.
   b. Derive any revenue from having any involvement in the manufacturing or trade of controversial weapons.

2. Screening criteria is applied as part of its investment decision making process (both prior to investment and ongoing review of the Fund's holdings). The Fund implements and monitors the criteria using MSCI data.
   a. The Fund will not invest in corporate issuers which exhibit any of the below features, unless cleared for investment by the Sub-Investment Manager's ESG committee:
      i. GHG Emissions: corporate issuers with a 30% revenue threshold in thermal or fossil fuel electricity generation or coal or other controversial fuel production;

ii. Employee Welfare: corporate issuers with significant United Nations Global Compact ("**UNGC**") violations in respect of the ten UNGC principles guiding corporate behaviour in the areas of human rights, labour rights, environment and corruption i.e., rated by MSCI as having either a 0 / “Fail” or 1 / “Severe” ESG controversy score in terms of degree of severity, how structural the issue is to the business and its current status (concluded or ongoing). Companies that have cases rated with low scores either fail the UNGC principles or are put on a watch-list where the case is still ongoing and may still evolve positively or negatively;

iii. Citizen Welfare: corporate issuers with a 5% revenue threshold in conventional weapons.

b. The Fund will not invest in sovereign issuers which exhibit any of the below features, unless cleared by the Sub-Investment Manager's ESG committee:

i. GHG Emissions: are in the global top 10% of greenhouse gas emissions in kg/$GDP; and

ii. Citizen Welfare: sovereign issuers with a greater than 10% rating downgrade relating to MSCI ESG scoring on a rolling 12-month basis.

This selection criteria may not be disapplied or overridden by the Sub-Investment Manager. Issuers identified according to the above screening criteria are then subject to the Sub-Investment Manager’s ESG committee-based qualitative review process. The review, which may not be disapplied or overridden by the Sub-Investment Manager, is triggered as soon as the above thresholds are reached or exceeded and aims to assess the merits of investment in, maintenance or exclusion of particular holdings through focussing on the qualitative details of the MSCI ESG assessment report, supplemented by any specific complementary and research analysis by the analyst in charge of issuer. The review will, amongst other things, include an assessment on the Sub-Investment Manager’s ability to engage with issuer(s) and the probable outcomes of doing so, as well as the resultant impact on the aforementioned ESG characteristics promoted by the Fund and of maintaining or divesting such holdings.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies and addresses governance considerations through evaluation of the status of certain issuers with regards to ESG controversies/deterioration flagged by periodic ESG monitoring and decides on their maintenance or potential exclusion as eligible portfolio investments as a result.

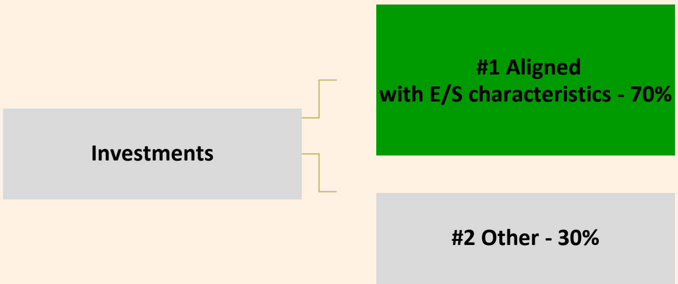
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will either be cash, cash equivalents, derivatives and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are used but not for the purposes of attaining the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

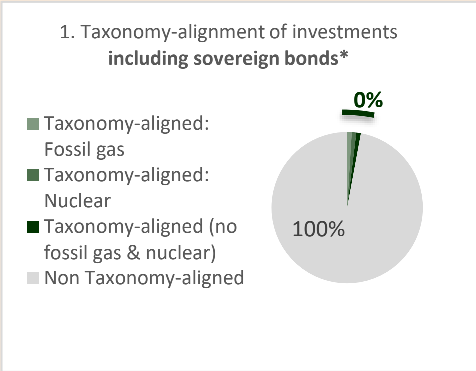
☐ **Yes:**

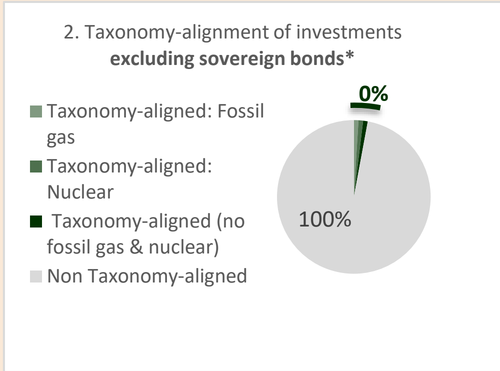
☐ In fossil gas ☐ In nuclear energy

☒ **No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1 Or such other amounts as the Manager may determine and, in the case of an increase in such amounts, notify to the Holders. e change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "**#2 Other**" are cash, cash equivalents, derivatives and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/4d5b2ca5031053f/original/Article-10-Website-Disclosure-PGIF-Finisterre-VAG-Unconstrained-EM-Fixed-Income-Fund.pdf

Supplement

for the

Global Property Securities Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Global Property Securities Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2 and Income Plus Unit classes and the Unit classes denoted as (Gross), in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such case, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished. For Income Plus Units, this cycle may continue until all capital is depleted.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The objective of the Fund is to seek to provide a total return primarily through investment in a portfolio of global property securities.

1.2 Investment Policies

The Fund will seek to achieve its objective by investing primarily in a global portfolio of publicly traded securities of companies engaged in the property industry or whose value is largely derived from property assets.

The Fund's investment universe will include real estate investment trusts ("**REITs**") or non-REIT real estate companies in the United States, and similar structures in other areas of the world. REITs are granted special tax treatment and must distribute 90% of their taxable income to investors. Non-REIT real estate companies also invest in income property and/or mortgages and loans. But as opposed to REITs, there is no mandatory dividend distribution requirement, and the taxation of these companies depends on how they are structured for tax purposes. Both REITs and non-REIT real estate companies shall be tradable on major markets and exchanges as securities. Investment in such structures will not affect the Fund's ability to provide redemption facilities. The Fund shall invest no less than 80% of the assets of the Fund in REITs, non-REIT real estate companies and similar structures.

A fixed exclusion criteria is in place to exclude owners and operators of private prisons.

The Fund may also invest in equity and debt securities of companies that at the time of investment have at least 50% of their assets, income or profits derived from products or services related to the global property industry. Debt securities that the Fund invests in such as fixed and/or floating corporate bonds are limited to those issued by property security companies such as non-REIT real estate companies and may or may not be of investment grade.

The Fund may invest in common and preferred equity securities, debt securities, options, warrants (up to 5% of the Fund), convertible bonds and depository receipts and other related securities. The Fund may utilize derivative instruments for the hedging of active currency exposures and other risk management objectives.

The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than 25% of the assets of the Fund may be held in aggregate in ancillary liquid assets. In normal operating environments the amount of ancillary liquid assets is not anticipated to exceed 10% of the Fund's assets.

The Fund may invest up to 10% of its assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds ("**ETFs**"), the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investment Funds.

At least 90% of the securities acquired by the Fund will be traded or listed on the exchanges and markets set out in **Appendix E** to the Prospectus.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics promoted by the Fund are reduction of greenhouse gas (GHG) emissions, water conservation, and increasing usage of renewable energy sources. The social characteristics promoted by the Fund are increased diversity and inclusion in the workplace and on company boards and greater adoption of policies to eliminate the practice of forced labour.

The Sub-Investment Managers seeks to invest in companies with carbon emission reduction initiatives and integrates the consideration of its proprietary ESG scoring framework into all investment decisions in respect of the Fund. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Managers are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 Disclosures for the Taxonomy Regulation

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to FTSE EPRA NAREIT Developed NTR (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or the Sub-Investment Managers may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager and/or the Sub-Investment Managers maintain full discretion to select investments for the Fund in line with the above investment policy. Information on the methodology of the calculation of the index can be found at https://www.ftserussell.com/products/indices/epra-nareit.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of the Index.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking a total return primarily through investment in a portfolio of global property securities and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may also do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**"), as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGERS

The Investment Manager has, in turn, appointed Principal Real Estate Investors, LLC ("**PrinREI**"), Principal Global Investors (Europe) Ltd ("**PGIE**"), Principal Global Investors

(Australia) Ltd ("**PGIA**") and Principal Global Investor (Singapore) Limited ("**PGIS**") to act as sub-investment managers to the Fund (PGIE, PGIA and PGIS are collectively referred to as the ("**Sub-Investment Managers**").

PrinREI were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PrinREI**").

Pursuant to the Sub-Investment Manager Agreement with PrinREI, the Investment Manager has delegated to PrinREI overall responsibility for the Fund's investments in North American listed securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PrinREI may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PrinREI is regulated by the Securities and Exchange Commission.

PGIE were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIE**").

Pursuant to the Sub-Investment Manager Agreement with PGIE, the Investment Manager has delegated to PGIE overall responsibility for the Fund's investments in European listed securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIE may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIE is regulated by the Financial Conduct Authority.

PGIA were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIA**").

Pursuant to the Sub-Investment Manager Agreement with PGIA, the Investment Manager has delegated to PGIA overall responsibility for the Fund's investments in securities listed on Asian and Pacific markets and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIA may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIA is regulated by the Australian Securities & Investments Commission.

PGIS were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIS**").

Pursuant to the Sub-Investment Manager Agreement with PGIS, the Investment Manager has delegated to PGIS security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIS may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIS is regulated by the Monetary Authority of Singapore.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit Classes in the Fund.

7 RISK FACTORS

The general risk factors set out in the Prospectus under the heading **Special Investment Considerations and Risks** apply to the Fund.

In addition the further risk considerations in respect of the use of the Asset Replication Strategy and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 Income Units, D2 Income Plus Units and units denoted as quarterly ("**Quarterly**"), will be declared and paid annually.

Distributions on the D2 Income Units and D2 Income Plus Units in the Fund will be declared and paid monthly within 30 days of the end of each calendar month.

Distributions on the Quarterly denoted Units in the Fund will be declared and paid quarterly within 30 days of the end of each calendar quarter.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period for all Unit in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to Dublin shall, until further notice, be 10:00am Dublin time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Managers' fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (% per annum)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.60	0.00	Not more than 0.0220	0.15
A2	1,000	5.00	1.60	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.80	0.75	Not more than 0.0220	0.15
D2	1,000	5.00	0.80	0.75	Not more than 0.0220	0.15
I	2,000,000	0.00	0.80	0.00	Not more than 0.0220	0.00

I2	100,000,000	0.00	0.43	0.00	Not more than 0.0220	0.00
I3	30,000,000	0.00	0.65	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.80	1.10	Not more than 0.0220	0.15
P	1,000	0.00	0.80	0.15	Not more than 0.0220	0.15
N	1,000	0.00	0.80	0.00	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 For A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross), the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

10.3 In circumstances where such fees and expenses are charged to capital and/or dividends are declared out of capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the heading **General Information; Income Units, Income Plus Units and Accumulation Units.**

10.5 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	Hedged: Euro, Singapore Dollar, Swiss Franc, US Dollar Unhedged: US Dollar, Euro, Hong Kong Dollar
A Class Income	Hedged: Euro, Singapore Dollar, Swiss Franc Unhedged: US Dollar
A2 Class Income (Quarterly)	Hedged: Australian Dollar, Euro, Singapore Dollar Unhedged: US Dollar
A2 Class Income Plus (Quarterly)	Hedged: Australian Dollar, Euro, Singapore Dollar Unhedged: US Dollar, Hong Kong Dollar
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: Australian Dollar, Singapore Dollar, Unhedged: US Dollar
D2 Class Income	Hedged: Australian Dollar, Singapore Dollar Unhedged: US Dollar, Hong Kong Dollar
D2 Class Income (Gross)	Hedged: Euro Unhedged: N/A
D2 Class Income Plus (Gross)	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
F Class Accumulation	Hedged: N/A Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: US Dollar, Brazilian Real*, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
I Class Income	Hedged: Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
I Class Income (Quarterly)	Hedged: N/A Unhedged: US Dollar

I Class Income (Quarterly Gross)	Hedged: Australian Dollar, Singapore Dollar Unhedged: US Dollar
I2 Class Accumulation	Hedged: N/A Unhedged: US Dollar
I2 Class Income	Hedged: N/A Unhedged: US Dollar
I3 Class Accumulation	Hedged: N/A Unhedged: Swedish Krona
N Class Accumulation	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
N Class Income	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling
P Class Accumulation	Hedged: N/A Unhedged: US Dollar
P Class Income	Hedged: N/A Unhedged: US Dollar
X Class Accumulation	Hedged: N/A Unhedged: US Dollar
X Class Income	Hedged: N/A Unhedged: US Dollar

*The Settlement currency for Subscriptions and Redemptions relating to Brazilian Real Hedged I Class Accumulation Units is the Base Currency for the Fund (US Dollar).

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Global Property Securities Fund **Legal entity identifier**: 5493005ON3FC5B6DDH22

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ______%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: _____%**

☒ **No**

☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments

- ☐ with an environmental objective in economic activities that do qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are:

- Reduction of greenhouse gas emissions
- Water conservation
- Increasing usage of renewable energy sources.

The social characteristics considered by the Fund are:

- Increased diversity and inclusion in the workplace and on company boards
- Greater adoption of policies to eliminate the practice of forced labour.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Sub-Investment Managers use the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

Environmental:

For assessing an investee company's practice on carbon footprint, the Sub-Investment Managers consider indicators on GHG emissions of the portfolio, GHG emission reduction targets and the policies of investee companies as well as the GHG intensity of investee companies.

For assessing an investee company's practice on water conservation, the Sub-Investment Managers consider indicators on water consumption of investee companies.

For assessing an investee company's practice on increasing usage of renewable energy sources, the Sub-Investment Managers consider indicators on the share of non-renewable energy consumption of investee companies.

Social:

For assessing an investee company's practice on increased diversity and inclusion in the workplace and on the board of directors of the investee company, the Sub-Investment Managers consider indicators on inclusion and diversity policies set by the investee companies and the percentage of female directors on respective board of the investee companies.

For assessing an invest company's practice on adoption of policies to eliminate the practice of forced labour, the Sub-Investment Managers consider indicators on forced labour policies set by investee companies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not intend to make sustainable investments.

--- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

--- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Managers considers principal adverse impacts on sustainability factors by combining internal analysis of fund holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 6 - Energy consumption intensity per high impact climate sector
- PAI 13 – Board gender diversity

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Managers' proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will seek to achieve its objective by investing primarily in a global portfolio of publicly traded securities of companies engaged in the property industry or whose value is largely derived from property assets.

The Fund's investment process seeks consistent positive excess returns driven by bottom-up stock selection and constructing a portfolio with diversified sources of active return. Top-down and quantitative elements are also incorporated but represent a minor role in the investment process. The Sub-Investment Managers perform a fundamental style of investing that is characterised by quality, with an emphasis on owning companies at average or below average relative valuations (ie, owning quality companies at a reasonable price).

The investment process consists of a number of stages, beginning with fundamental research which is carried out by the Sub-Investment Managers' analysts. This research supports the analyst's investment recommendations, which serve as the Sub-Investment Managers' primary source of idea generation for the portfolio. There are three primary areas of focus in this analysis: (i) quality assessment of fundamentals, (ii) relative valuation and (iii) recognition catalysts.

The quality assessment of a company's key fundamental attributes is expressed as a Quality Score (with a 1 – 5 ranking). This score is produced by the Sub-Investment Managers' analysts and covers ESG as one of six categories. The ESG input in the Quality Score is the rating a company receives by the Sub-Investment Managers' analysts based on its proprietary ESG scoring framework, as all companies are required to have an ESG score based on a 1 – 10 rating scale (10 being the highest score, 1 the lowest). The proprietary ESG scoring framework incorporates metrics to assess the E & S characteristics promoted by the Fund. To facilitate the ESG score, the analysts evaluate each company against such metrics to establish the key ESG attributes, opportunities, risks, or controversies for a given company. The Fund will invest at least 60% of its assets in companies with an ESG score of 6.0 or greater. This ensures a material percentage of the assets in the portfolio will be invested in companies that exhibit higher quality, above peer average ESG attributes

Data to produce the ESG score is sourced from (i) primary research which includes company management discussions through engagement, asset inspections, the study of company filings, and company issued sustainability reports, (ii) third party data providers from organisations (such as GRESB, MSCI, ISS and others) and (iii) in a limited fashion consistent with the Sub-Investment Managers' overall research efforts, ESG research from sell-side research firms. The next stages are security selection and portfolio construction, wherein the Sub-Investment Managers' portfolio management teams work to identify the best ideas and construct an integrated global portfolio, whereby the best ideas are weighted consistently with a global perspective. As part of the portfolio construction process, the Sub-Investment Managers are mindful of top-down, macro factors such as economic conditions, interest rates, geopolitical events, as well as style risks and calibrates portfolio weights as needed. Risks by factor, style or ESG are analysed which can influence portfolio positioning based on the Sub-Investment Managers' views of market conditions and available opportunities.

A fixed exclusion criteria is in place to exclude owners and operators of private prisons.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are as follows:

1. *Propriety ESG Scoring:*

   The Sub-Investment Managers' proprietary ESG scoring framework incorporates metrics to assess the environmental and social characteristics promoted by the Fund. The Sub-Investment Managers commit that a minimum of 60% of the Fund's exposure (as measured by portfolio weight) will be invested in companies with an ESG score of 6.0 or greater based on a 1- 10 rating scale.

2. *Carbon reduction:*

   The Fund will invest at least 60% of its assets in companies which have a publicly reported GHG emissions or carbon emission reduction target.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable as there is no committed minimum rate to reduce the scope of investments

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

The Sub-Investment Managers identify governance considerations as integral to the investment philosophy and process. Improving governance policies and practices are identified as providing a basis for an improved relative valuation, while governance dilution or deterioration represent an inherent source of risk and downward valuation. In order to ensure good governance, the Sub-Investment Manager engage with senior executives from investee companies within the Fund supplemented with third party specialist research.

As part of the Sub-Investment Managers' ESG scoring framework investee companies are rated specifically on corporate governance factors deemed relevant and material for listed REITs and real estate companies. Examples of the factors considered are the following: management structure (internal or external management), track record of shareholder friendly behaviour, shareholder capital management, structural takeover defences, alignment with shareholder interests, executive compensation practices, and corporate disclosures.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

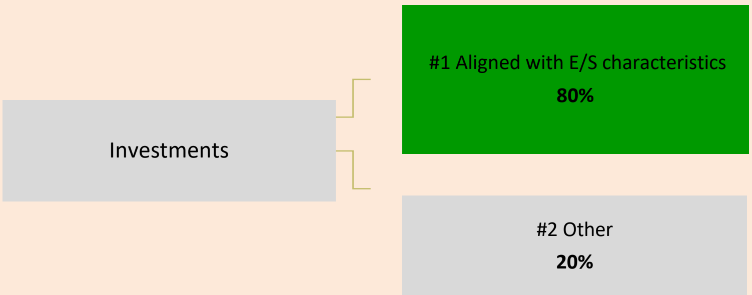
Taxonomy-aligned activities are expressed as a share of:

turnover reflecting the share of revenue from green activities of investee companies

capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1][2]?**

[1]Or such other amounts as the Manager may determine and, in the case of an increase in such amounts, notify to the Holders.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“**climate change**

Yes:

In fossil gas | In nuclear energy

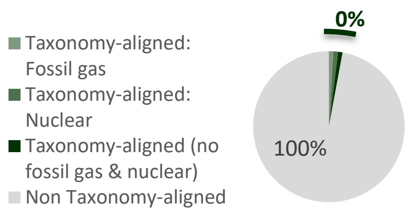
x No

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

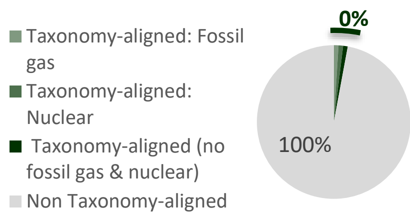
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The investments included under "**#2 Other**" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/1fe8e7202352d8c3/original/Article-10-Website-Disclosure-PGIF-Global-Property-Securities-Fund.pdf

Supplement

for the

Global Responsible Equity Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Global Responsible Equity Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to seek capital growth over the medium to long term.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its objective by investing principally in equity securities domiciled in both developed and emerging markets that demonstrate positive fundamental change at attractive relative valuations.

Investee companies are considered to be displaying positive fundamental change (synonymous with 'businesses becoming better') where they are seen to be actively improving and becoming stronger. The first step in the process employed by the Investment Manager and the Sub-Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Investment Manager and the Sub-Investment Manager then seek to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Investment Manager and the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Investment Manager and the Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Investment Manager and the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Investment Manager and the Sub-Investment Manager analyse potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, as further detailed in section 1.3 below, that are promoted by the Fund.

The Fund may also invest in real estate investment trusts ("**REITS**") or other REIT-like structures which will be the equivalent of REITS.

In jurisdictions where it would not be possible or practical for the Fund to hold the equity securities directly, it may obtain exposure through equity-related securities including American Depositary Receipts and Global Depositary Receipts.

The Fund may also invest in UCITS eligible collective investment schemes, including money market funds and exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments in the event of not being able to invest directly. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to

UCITS Acceptable Investments in Other Investment Funds. The Fund will not invest in US exchange traded funds.

The Fund may obtain exposure to Chinese equities through Hong Kong-listed "**H**" shares and other available depositary receipts or through direct exposure to China-A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect. The Fund may hold investments from time to time which are listed or traded in Russia on the Moscow exchange. It is not anticipated that such investments will normally constitute a substantial element of the Fund and shall not in any event exceed 10% of the net assets of the Fund.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics considered by the Fund are company contribution towards the United Nations Sustainable Development Goals and environmental stewardship. The social characteristics considered by the Fund are public health, health and safety and workforce and community management.

The Investment Manager and the Sub-Investment Manager combine an assessment of ESG risks with screening and exclusion criteria. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to MSCI AC World NTR (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or the Sub-Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager and the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in section 1.3 above are recognised independently of the Index. Information on the methodology of the calculation of the Index can be found from the Index provider's website www.msci.com.

1.6 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long term and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund may utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund may utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

The Investment Manager is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investors (Europe) Ltd ("**PGIE**" or the "**Sub-Investment Manager**") to act as sub-investment manager to the Fund.

PGIE were appointed pursuant to an Amended and Restated Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement**"). The Sub-Investment Manager Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the Emerging Markets Risks and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.50	0	Not more than 0.0220	0.15
I	2,000,000	0.00	0.75	0	Not more than 0.0220	0
D	1,000	5.00	0.75	0.75	Not more than 0.0220	0.15
F2	1,000	0.00	0.75	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.75	0.00	Not more than 0.0220	0.15

10.2 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency

Base Currency	US Dollar
A Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro
A Class Income	Hedged: N/A Unhedged: US Dollar
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
F2 Class Accumulation	Hedged: N/A Unhedged: US Dollar
F2 Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
I Class Income	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
N Class Accumulation	Hedged: N/A Unhedged: US Dollar, Euro, Sterling
N Class Income	Hedged: N/A Unhedged: US Dollar, Euro, Sterling

12 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Global Responsible Equity Fund**

Legal entity identifier: **549300VJEKNWV9BBR441**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are company contribution towards the United Nations Sustainable Development Goals and environmental stewardship. The social characteristics considered by the Fund are public health, health and safety and workforce and community management.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager and the Sub-Investment Manager use the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

financial product are attained.

For assessing environmental stewardship, the Investment Manager and the Sub-Investment Manager consider the percentage of holdings in the Fund's portfolio that have committed themselves to setting a net zero emission target.

For assessing company contribution towards the United Nations Sustainable Development Goals and company's practice on public health, health and safety and workforce and community management, the Investment Manager and the Sub-Investment Manager consider the SDG contribution using a proprietary SDG tool with validation as part of the Investment Manager's and the Sub-Investment Manager's fundamental investment process.

In addition, the Investment Manager's and the Sub-Investment Manager’s investment strategy is expected to monitor ESG performance as measured by the Investment Manager's and the Sub-Investment Manager’s proprietary ESG performance tool and external ESG data providers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes** the Investment Manager and the Sub-Investment Manager consider principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 4 - Exposure levels for companies active in the fossil fuel sector

- PAI 6 - Energy consumption intensity per high impact climate sector
- PAI 7 - Activities negatively affecting biodiversity-sensitive areas
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 11 - Lack of monitoring the compliance with UNGC principles and OECD guidelines for multinational enterprises (MNEs)
- PAI 13 - Board gender diversity
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Investment Manager's and the Sub-Investment Manager’s proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its objective by investing principally in equity securities domiciled in both developed and emerging markets that demonstrate positive fundamental change at attractive relative valuations.

Investee companies are considered to be displaying positive fundamental change (synonymous with ‘businesses becoming better’) where they are seen to be actively improving and becoming stronger. The first step in the process employed by the Investment Manager and the Sub-Investment Manager is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Investment Manager and the Sub-Investment Manager then seek to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Investment Manager and the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Investment Manager and the Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Investment Manager and the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Investment Manager and the Sub-Investment Manager analyse potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, as further detailed below, that are promoted by the Fund.

In order to meet the environmental and social characteristics promoted, the Investment Manager and the Sub-Investment Manager combine an assessment of ESG risks with screening and exclusion criteria to act as the binding elements considered as part of the Fund's investment strategy.

In order to consider ESG risk, the Investment Manager and the Sub-Investment Manager assign an ESG risk level to each holding considered within the Fund. To assign the ESG risk levels, the Investment Manager and the Sub-Investment Manager evaluate an investee company’s relationships with each of its stakeholders; shareholders, customers, employees, suppliers and their supply chains, their communities and the environment. The Investment Manager and the Sub-Investment Manager will use a proprietary methodology incorporating partnership with third party data providers (MSCI, ISS and Bloomberg etc.) to help provide consistent data across the investment universe when making these evaluations. The Investment Manager and the Sub-Investment Manager will also assign an ESG risk trend of either improving, stable or deteriorating. This risk trend designation provides important context to the risk level and informs the Investment Manager's and the Sub-Investment Manager's tolerance for that risk.

The Investment Manager and the Sub-Investment Manager subsequently use these ESG risk levels to identify the key risks to the stakeholders and the associated positive change to the environmental and social characteristics to be considered in each holding and references these outcomes in investment decision making.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy are as follows:

1. The Investment Manager and the Sub-Investment Manager apply a carbon risk score, using MSCI data, to all investee companies in the Fund's portfolio.

2. The Investment Manager and the Sub-Investment Manager aim for an aggregate carbon risk level for the Fund that is 20% lower than MSCI AC World NTR.

3. The Investment Manager and the Sub-Investment Manager aims for 40% of the Net Asset Value of the Fund to contribute to the SDGs.

4. The Fund applies exclusions across the following categories and criteria:

a) excludes thermal coal producers from the Fund's holdings as defined by GICS Industry Sector classification.

b) excludes companies with involvement in controversial weapons as defined by the ISS Controversial Weapons Research methodology

c) excludes companies where their revenue is significantly derived from involvement in producing tobacco, as defined by the GICS Industry Sector classification.

d) excludes companies where their revenue is significantly derived from involvement in the gambling sector, as defined by the GICS Industry Sector classification.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager and the Sub-Investment Manager identify governance considerations as integral to the investment philosophy and process. Improving governance policies and practices are identified as providing a basis for an improved relative valuation, while governance dilution or deterioration represent an inherent source of risk and downward valuation. In order to ensure good governance, the Investment Manager and the Sub-Investment Manager engage with senior executives from investee companies within the Fund. The Investment Manager and the Sub-Investment Manager incorporate discussions on the ESG issues of greatest importance as identified by the proprietary ESG risk evaluation of the holding. The Investment Manager and the Sub-Investment Manager will both look for and ask for actions and plans that fit a SMART framework to address any ESG issues: Specific, Measurable, Attainable, Relevant and Time-bounded. Following this engagement with management, the Investment Manager and the Sub-Investment Manager will then re-assess the ESG risks to ensure a circular, continual process.

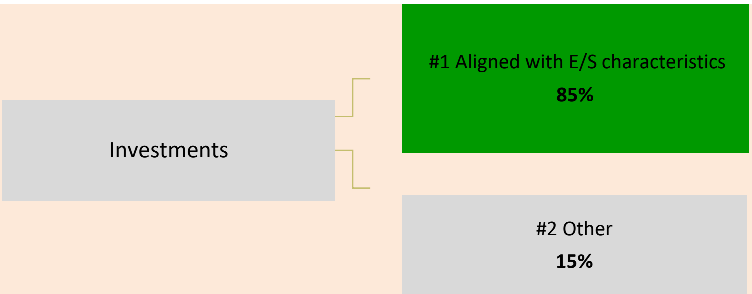
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

In accordance with the binding elements of the investment strategy, 85% of investments made will be aligned to the E/S characteristics, whilst the remaining 15% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For n**uclear energy**, the criteria include comprehensive safety and waste management rules.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas In ☐ nuclear energy

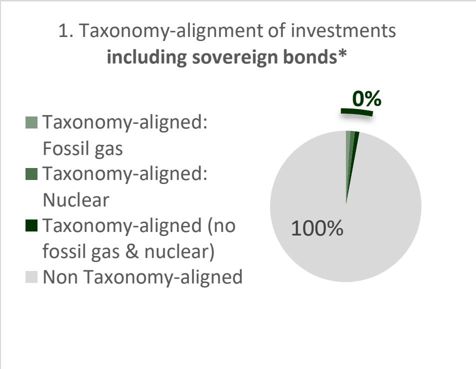
☒ No

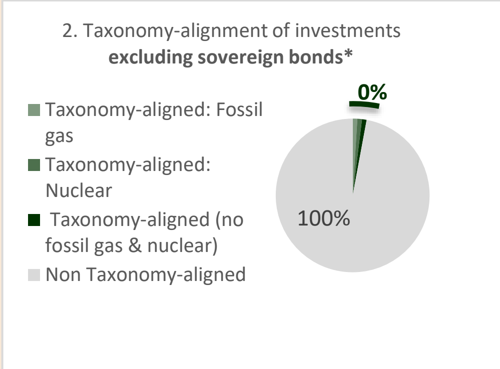
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.

What is the minimum share of socially sustainable investments?

0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "**#2 Other**" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/16e40315e54839ee/original/Article-10-Website-Disclosure-PGIF-Global-Responsible-Equity-Fund.pdf

Supplement

for the

Global Sustainable Listed Infrastructure Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Global Sustainable Listed Infrastructure Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of Principal Global Investors (Ireland) Limited (the "**Manager**"), whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Holders should be aware that distributions and/or fees and expenses may be paid out of the capital of a) for Income Plus Units; and for (b) the A2 and D2 Class Income Units fees and expenses may be paid out of capital, in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.

Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished. For Income Plus Units, this cycle may continue until all capital is depleted.

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1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to provide a total return that exceeds its benchmark while achieving positive, measurable social and environmental impact by investing in infrastructure companies that contribute to the United Nations Sustainable Development Goals ("**SDGs**").

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its sustainable investment objective by investing its assets in a diversified portfolio of equity or equity-related securities issued by Sustainable Infrastructure Companies (as defined below). A "**Sustainable Infrastructure Company**" is a company engaged in the development, operation and management of infrastructure assets in a financially sustainable manner while also contributing, and expected to further contribute in the future, to the relevant environmental and social objectives identified in the SDGs. The nature and degree of a company's expected contribution may vary by the infrastructure subsector and country in which it operates. Infrastructure includes but is not limited to utilities (electric, gas, water), transportation infrastructure (airports, highways, railways, marine ports), energy infrastructure and communications infrastructure.

The Sub-Investment Manager will employ a bottom-up investment process focused on identifying Sustainable Infrastructure Companies of above average quality trading at below average valuations. An above average quality trading company is one that is assessed to offer above average credentials across the 7 metric categories that are comprised in the quality framework, as described below. The Sub-Investment Manager believes a deep understanding of individual companies and industries is a prerequisite to bottom-up stock selection. Analysts within the Sub-Investment Manager serve as subject matter experts for an assigned coverage universe and are responsible for conducting fundamental research on 30-50 stocks across 3-5 major infrastructure industry groupings, with assignments informed by prior experience. Fundamental research at the company level includes, but is not limited to, the study of company financial statements and filings, conducting regular meetings with senior management and other key employees, identifying key revenues and cost drivers, understanding the outlook for company profitability and growth, understanding competitive positioning, researching the company's contributions to environmental and social objectives and how those align to the SDGs, visiting and evaluating key assets, understanding the company's governance and ownership structures, and engaging with third-party research providers. Fundamental research at the industry level includes, but is not limited to, identifying key themes and trends, calibrating growth expectations and maintaining relationships with third-party industry experts. Given the relatively static nature of the universe of listed infrastructure companies, benefits of the Sub-Investment Manager's research efforts are expected to accrue over time.

There are three primary areas of focus when assessing securities for inclusion in the portfolio: quality, valuation, and market perception. Quality and valuation assessments are proprietary to the Sub-Investment Manager and are standardised across the global universes, and consideration of environmental, social and governance ("**ESG**") factors is fully integrated into the analysis of securities. Integration of ESG considerations is made possible by regular engagement with company management teams, including correspondence with company employees specifically focused on ESG issues, a proprietary materiality framework, supplemented by insights from third-party research providers including sell-side research analysts and ESG ratings firms such as MSCI, with all dedicated team members bringing relevant experience in analysing sustainability and ESG considerations.

The quality framework seeks to assess a company's quality and expected change over seven metric categories. The seven metric categories consist of infrastructure business quality, business strategy, market outlook, management, balance sheet, growth and profitability and ESG practices. ESG is a category that directly informs a company's overall quality score. Sustainability considerations are also related to several other quality categories, in particular the assessment of infrastructure business quality, which considers the nature of a company's regulatory relationships and the predictability and longevity of its cash flows, assessment of a company's balance sheet, and assessment of a company's management team. A company's classification as a Sustainable Infrastructure Company is thus dependent on minimum governance standards.

The Sub-Investment Manager's assessment of an infrastructure company's quality includes validating that the company's contributions to the SDGs are in line with its expectations for a Sustainable Infrastructure Company in the relevant subsector and country. Relevant information may be obtained through direct contact with companies and is supplemented with third party specialist research where deemed appropriate.

The valuation framework involves the construction of discounted cash flow-based valuation models. It uses a standardised methodology that allows for global comparability of valuation conclusions and a focus on relative value. Other valuation metrics are also considered where appropriate. Differentiation between sustainability leaders and laggards are typically reflected in terminal growth rate assumptions, the nature of scenarios constructed, and probabilities assigned to each scenario. Strong environmental credentials may also support higher growth assumptions during the explicit forecast period.

In considering market perception as a component of its security analysis, the Sub-Investment Manager aims to identify sources of variation with consensus that may drive total return potential which means that the Sub-Investment Manager will consider a variety of different market perceptions as part of its analysis so that it can identify the types of events and the timing of such events that may result in closing the gap between a security's expected valuation and the market's current valuation, resulting in a realized total return for investors. These incremental components of an investment thesis allow the Sub-Investment Manager to monitor whether an investment is continuing to align to its original thesis and if not, allows the Sub-Investment Manager to pursue a different strategy, including the potential exit of an investment. The Sub-Investment Manager also seeks to forecast outcomes related to upcoming events and other share price drivers and articulate a path to value realisation. The Sub-Investment Manager relies on its in-depth fundamental research of both companies and infrastructure sub-sectors to determine what outcomes relate to upcoming company and industry events which are most probable. The conclusions influence the valuation assessment, in particular the assumptions and probability assigned for each scenario. In particular, the aim is distinguish between market perception of a company's sustainability efforts and ESG credentials and reality to ensure that capital is also allocated to those infrastructure businesses whose sustainability credentials may be less well appreciated but which nonetheless play a critical role in contributing to the world's most important social and environmental objectives.

The Fund may invest in securities issued by U.S. and non-U.S. issuers, including companies in emerging markets around the world. In investment terms, emerging markets are regions of the world that are typically still developing their economies. The Fund may invest up to 20% of its assets in emerging markets.

The Fund may invest in Hong Kong-listed shares in Chinese companies, exposure to Greater China shall primarily be through Hong Kong-listed H shares and other available depositary receipts or through direct exposure to China-A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

The Fund will utilise derivative techniques and instruments for the Hedged Unit classes and for the purposes of efficient portfolio management in accordance with the investment restrictions.

The Fund may invest up to 30% of its net assets in real estate investment trusts ("**REITS**"). Only those REITs which are engaged in development, operation and management of infrastructure assets and otherwise meet the definition of a Sustainable Infrastructure Company will be considered for investment.

In jurisdictions where it would not be possible or practical for the Fund to hold the equity securities directly, it may obtain exposure through equity-related securities including American depositary receipts and global depositary receipts.

The Fund may invest up to 10% of its assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds ("**ETFs**"), the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investment Funds.

The Fund may also hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, bank deposits, commercial paper, short term money market deposits and certificates of deposit). However, no more than 10% of the net assets of the Fund may be held in aggregate in ancillary liquid assets and non-equity securities.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as a Sustainable Investment Fund (as defined in the Prospectus) as meeting the provisions set out in Article 9 of SFDR for products that have a sustainable investment objective, as further described below.

Sustainable investment means an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices.

The Fund promotes sustainability characteristics by investing its assets in a diversified portfolio of equity or equity-related securities issued by Sustainable Infrastructure Companies. The remaining investments which may comprise of cash, cash equivalents and hedging instruments will meet minimum environmental or social safeguards which are in line with the Fund's overall objective.

In order to attain the investment objective, the Sub-Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision making process. The selection criteria may not be disapplied or overridden. During the fundamental research stage of its investment process, the Sub-Investment Manager seeks to identify alignment between the social and environmental contributions of each potential investment and one or more of the SDGs. Further information on the Fund's sustainable investment objective is available in the SFDR Annex appended to this Supplement.

The Investment Manager and Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalglobal.com/eu/about-us/responsible-investing.

Do no significant harm

Prior to investment, the Sub-Investment Manager assesses companies for the presence of actions and behaviours that may cause significant harm to the sustainable investment objective of the Fund. The Sub-Investment Manager relies on engagement with potential investee companies and its own fundamental research supplemented with the research of third-party providers to determine if a company is engaging in operations or behaviours that do significant harm. All investments qualifying as Sustainable Infrastructure Companies are deemed to do no significant harm to the sustainable investment objective in their efforts to achieve contributions to at least one of the 6 Focus SDGs. Relevant indicators used in screening potential portfolio holdings for behaviours that may cause significant harm include, but are not limited to, greenhouse gas emissions, exposure to fossil fuel-based activities, energy performance, biodiversity, water, waste, social and employee matters, human rights, anti-corruption and anti-bribery.

1.4 Taxonomy Disclosure

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to the FTSE Global Core Infrastructure 50/50 Index (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Index comprises of global companies that meet its eligibility requirements within the three core infrastructure sectors utilities, transportation and telecommunications which are capped to limit the exposure of particular infrastructure subsectors. The Sub-Investment Manager may reference the Index as part of the investment management process for performance comparison purposes and the investment risk monitoring process. However, the Index is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the Index.

The Index does not take sustainability characteristics into account and considerations of the sustainability characteristics, as further outlined in section 1.3 above, are recognised independently of the Index. Information on the methodology used for the calculation of the index can be found from the index provider's website www.ftserussell.com.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks** pertaining to such Units.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long term and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise derivative techniques and instruments, as detailed below, for the purposes of hedging currency for the Hedged Unit classes and may also do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Forwards – The Fund may enter into forward currency contracts which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

A forward settled transaction delays settlement of a transaction to a forward date.

Covered Call Options – The Fund may sell (write) covered call options (which are call options with respect to which the Fund owns the underlying security) for income generation purposes, by receiving a premium for the writing of a covered call option on an equity which the Fund holds which the Fund is willing to sell at the exercise price. The seller (writer) of a covered call option assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option.

Further information is set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other. Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Real Estate Investors, LLC ("**PrinREI**" or the "**Sub-Investment Manager**"), 801 Grand Avenue, Des Moines, Iowa 50392, USA, to act as sub-investment manager to the Fund.

PrinREI were appointed pursuant to an amended and restated sub-investment manager agreement (the "**Sub-Investment Manager Agreement**").

Pursuant to the Sub-Investment Manager Agreement, the Investment Manager has delegated to PrinREI overall responsibility for the Fund's investments and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit classes in the Fund.

PrinREI is regulated by the Securities and Exchange Commission of the United States as an investment adviser.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the A, A2, D & D2 Unit classes, will be declared and paid annually within 30 days of the end of each financial year. Distributions on the A Income and A2 Income Unit classes in the Fund will be declared and paid quarterly within 30 days of the end of each calendar quarter. Distributions on the D Income, D2 Income and D2 Income Plus Unit classes in the Fund will be declared and paid monthly within 30 days of the end of each calendar month.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Charge in respect of the Z Unit Classes only

In relation to the Z Unit Classes only, the Manager reserves the right to apply an initial charge of up to 5% of each investor's initial subscription amount.

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 (as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and shall, until further notice be 10:00 a.m. Dublin time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager’s fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	0.00	1.65	0	Not more than 0.0220	0.15
A2	1,000	0.00	1.65	0	Not more than 0.0220	0.15
I	2,000,000	0.00	0.75	0	Not more than 0.0220	0
Z	20,000,000	0.00	0.50	0	Not more than 0.0220	0
D	1,000	0.00	0.75	0.75	Not more than 0.0220	0.15
D2	1,000	0.00	0.75	0.75	Not more than 0.0220	0.15
N	1,000	0.00	0.75	0.00	Not more than 0.0220	0.15
P	1,000	0.00	0.75	0.15	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 For A2, D2 and Income Plus Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2,D2 and Income Plus Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

10.3 In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2 D2, and Income Plus classes may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 Z Class Units have been established by the Manager for early investors coming into the Fund. Z Class Units are solely available to investors meeting the Minimum Initial Subscription detailed in section 10.1. These Units are not available to investors or platforms that do not individually meet the Minimum Initial Subscription but are accessing the fund via a pooled or aggregator account.

10.5 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the **heading General Information; Income Units, Income Plus Units and accumulation Units**.

10.6 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10.7 The costs of establishing the Fund, which did not exceed US$30,000 will be borne by the Fund and amortised over the first five years of the Fund.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: Euro, Singapore Dollar, Swiss Franc Unhedged: US Dollar, HK Dollar
A Class Income	Hedged: Euro, Singapore Dollar, Swiss Franc Unhedged: US Dollar
A2 Class Income	Hedged: Singapore Dollar Unhedged: US Dollar
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar

Unit Classes	**Class Currency**
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
D2 Class Income Plus	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar, Renminbi
I Class Accumulation	Hedged: Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
I Class Income	Hedged: Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
N Class Accumulation	Hedged: Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
N Class Income	Hedged: Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
P Class Accumulation	Hedged: N/A Unhedged: US Dollar
P Class Income	Hedged: N/A Unhedged: US Dollar
X Class Accumulation	Hedged: N/A Unhedged: US Dollar
X Class Income	Hedged: N/A Unhedged: US Dollar
Z Class Accumulation	Hedged: Euro, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
Z Class Income	Hedged: Euro, Sterling, Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Global Sustainable Listed Infrastructure Fund **Legal entity identifier: 54930054KRZC975QXB12**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Sustainable investment objective

Does this financial product have a sustainable investment objective

☒ **Yes**	☐ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective: 90%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to provide a total return that exceeds its benchmark while achieving positive, measurable social and environmental impact by investing in infrastructure companies that contribute to the United Nations Sustainable Development Goals ("**SDGs**").

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

In order to attain the investment objective, the Sub-Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision making process. The selection criteria may not be disapplied or overridden. During the fundamental research stage of its investment process, the Sub-Investment Manager seeks to identify alignment between the social and environmental contributions of each potential investment and one or more of the SDGs.

The 2030 Agenda for Sustainable Development recognizes the indispensable role basic economic infrastructure plays in sustainable development, and the SDGs therefore treat three core elements—economic growth, social inclusion, and environmental protection—as interconnected and equally central to the well-bring of individuals and societies. By identifying for investment infrastructure companies that align with at least one of 6 Focus Sustainable Development goals (the "Focus SDGs"), the Sub-Investment Manager seeks companies that appropriately balance the three dimensions of sustainable development with the ultimate objective of advancing social progress.

Given its explicit infrastructure sector focus, as noted above the Sub-Investment Manager has identified 6 Focus SDGs to which Sustainable Infrastructure Companies are most likely to contribute, as well as the individual targets and indicators that are most applicable to each type of company and which vary depending on subsector and/or country of operation. Expected contributions must be measurable and disclosed at the time of investment.

The Focus SDGs and typical environmental and social indicators which inform the assessment of alignment include:

SDG 6 - Clean Water & Sanitation

- Distributing water to communities and developing new water distribution
- Treating wastewater and developing new wastewater treatment facilities
- Achieving decreases in sensitive water discharge
- Employing policies on the health and safety of users
- Employing a stakeholder engagement program

SDG 7 – Affordable & Clean Energy

- Increasing renewable energy consumption
- Decreasing energy consumption intensity
- Generating and/or transmitting electricity
- Developing new generation and and/or transmission infrastructure
- Ensuring customer affordability
- Investing in future solutions for the decarbonisation of gas

SDG 8 – Decent Work & Economic Growth

- Demonstrating progress on diversity and inclusion
- Reporting on health and safety of employees and contractors

SDG 9 – Industry, Innovation & Infrastructure

- Transporting passengers and/or freight volumes
- Reducing carbon intensity of operations
- Operating or developing an infrastructure asset in a developing country

SDG 11 – Sustainable Cities & Communities

- Operating or developing public transport infrastructure
- Employing risk assessments on resilience to catastrophe and disaster
- Employing stakeholder engagement programs

SDG 13 – Climate Action

- Employing risk assessments regarding resilience to climate-related catastrophe and disaster
- Improving education and human and institutional capacity on climate change mitigation, adaption

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Prior to investment, the Sub-Investment Manager assesses companies for the presence of actions and behaviours that may cause significant harm to the sustainable investment objective of the Fund. The Sub-Investment Manager relies on engagement with potential investee companies and its own fundamental research supplemented with the research of third-party providers to determine if a company is engaging in operations or behaviours that do significant harm. All investments qualifying as Sustainable Infrastructure Companies are deemed to do no significant harm to the sustainable investment objective in their efforts to achieve contributions to at least one of the 6 Focus SDGs. Relevant indicators used in screening potential portfolio holdings for behaviours that may cause significant harm include, but are not limited to, greenhouse gas emissions, exposure to fossil fuel-based activities, energy performance, biodiversity, water, waste, social and employee matters, human rights, anti-corruption and anti-bribery.

The Fund excludes companies or issuers from consideration for investment or places restrictions on investment in companies or issuers from the following categories:

Conduct-based

Conduct-based or norms-based exclusions ensure that international conventions and laws on social and environmental issues are not violated, without corrective action or remediation efforts. Breaches of international law & human rights, corruption & financial crime, and serious environmental damage ("**ESG Breaches**") have a negative impact on business activity and society. Companies or issuers that have been involved in extreme ESG breaches with no adequate remediation efforts shall be excluded from investment by the Fund. Companies or issuers with conduct-based violations will generally correspond with those rated Worst In Class on the Sub-Investment Manager's proprietary ESG ratings scale.

Fossil fuel activities

Given the Sub-Investment Manager's focus on investing in essential service providers operating as regulated and contracted monopolies, the Sub-Investment Manager requires any involvement in fossil fuel activities by a portfolio company to be a byproduct of its social obligation to provide access to basic economic infrastructure and/or affordable and reliable energy to customers.

The Fund's restrictions on companies or issuers with exposure to fossil fuel activities further varies by type of fuel and the nature of the fossil fuel-related activity.

1. *Thermal Coal*

   Thermal coal accounts for significant CO2 emissions from power generation and contributes negatively to society through air and water pollution, as well as increased health risks and costs. Science indicates that limited global warming to 1.5 degrees requires a coal phase out in OECD countries in 2030 and the rest of the world in 2040.

   Companies or issuers involved in the mining of thermal coal as a principal business or that derive more than 10% of their revenues from the mining of thermal coal shall be excluded from investment by the Fund.

   The Fund will invest selectively in companies or issuers involved in thermal coal generation, generally provided that the company:

   a) Is in good standing with the regulatory bodies and other key stakeholders that authorize its operations; and

   b) Has a transition strategy that seeks to align with global warming of maximum 2˚C; and,

   c) Is not investing in new coal generation.

2. *Oil production or extraction*

   Companies or issuers involved in the production or extraction of oil as a principal business or that derive more than 10% of their revenues from the production of oil shall be excluded from investment by the Fund.

3. *Fossil-based Natural Gas production or extraction*

   Companies or issuers involved in the production or extraction of fossil-based natural gas as a principal business or that derive more than 10% of their revenues from the production of fossil-based natural gas shall be excluded from investment by the Fund.

   The Fund will invest selectively in companies or issuers involved in the distribution, transportation, or storage of fossil fuels, generally provided that:

   a) Has made clear commitments to reduce the carbon emissions associated with its own operations, and has demonstrated a track record of improvement with respect to emissions-related SDG indicators including reducing carbon intensity of operations, reducing methane intensity of operations, and increasing renewable energy consumption, among others;

   b) Is investing in future technologies to support the transport and storage of low and zero carbon gasses including biofuels and hydrogen;

   c) Is in good standing with the regulatory bodies and other key stakeholders that authorize its operations; and,

   d) Is involved in initiatives to support the decarbonization efforts of its customers.

Notwithstanding the above, the Sub-Investment Manager notes that its SDG alignment research specifically considers a company's track record of improvement with respect to reducing the carbon intensity of operations, increasing renewable energy consumption, decreasing energy consumption intensity, among other indicators, all of which serves to reinforce that any individual holding is not causing significant harm to the sustainable investment objective of the Fund. Companies included in the Fund's portfolio are expected to show a positive trend in reported figures across these metrics based on like-for-like scope of operations.

The Sub-Investment Manager also monitors investee companies for the presence of new actions that may cause significant harm to the sustainable investment objective. In instances where new information about an investee company indicates the potential presence of behaviours causing significant harm, the Sub-Investment Manager will first engage with the company in question in order to determine whether the company is engaging in operations or behaviours that may do significant harm and whether there is any plan for immediate mitigation in place. Where the Sub-Investment Manager makes the final determination that the company in question is now engaging in operations or behaviours that are causing significant harm to the sustainable investment objective, the Sub-Investment Manager will discontinue investment in that company as soon as practical.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Prior to making an investment, the Sub-Investment Manager examines how all prospective portfolio holdings perform, and/or are expected to contribute to the Fund's performance, against mandatory indicators 1-14 in Table 1 of Annex I and the optional indicators 'Investments in companies without carbon emission reduction initiatives indicator' (PAI 4) and in Table 2 of Annex 1 and 'Investments in companies without workplace accident prevention policies' (PAI 1) and 'Lack of anti-corruption and anti-bribery policies (PAI 15) in Table 3 of Annex 1 respectively based on most recently available data. The Sub-Investment Manager assesses the degree of relevance and data availability for the selection of the optional PAI indicators. Many of these indicators are also considered as part of the Sub-Investment Manager's proprietary ESG rating and SDG alignment research. For example, the expected trajectory of a company's carbon emissions reduction efforts and exposure to renewable energy consumption and production informs the Environmental component of its ESG rating as well as a key determinant in evaluating a company's alignment to SDGs 7, 9 and 13.

Where a prospective investment has deficiencies in its disclosures, this will also inform the Sub-Investment Manager's engagement with that company's management team. Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Sub-Investment Manager relies on engagement with potential investee companies and its own fundamental research supplemented with the research of third-party providers to determine that sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Does this financial product consider principal adverse impacts on sustainability factors?

- [x] Yes, please refer to the response above on how the indicators for adverse impacts on sustainability factors been taken into account. Reporting on principal adverse impacts can be found in the annual report.
- [ ] No

What investment strategy does this financial product follow

The Fund seeks to achieve its objective by investing principally all of its assets in a diversified portfolio of equity or equity-related securities issued by Sustainable Infrastructure Companies (as defined below). The Sub-Investment Manager defines a "**Sustainable Infrastructure Company**" as a company engaged in the development, operation and management of infrastructure assets in a financially sustainable manner while also contributing, or expected to contribute in the future, to the relevant environmental and social objectives identified in the SDGs. The nature and degree of a company's expected contribution may vary by the infrastructure subsector and country in which it operates. Infrastructure includes but is not limited to utilities (electric, gas, water), transportation infrastructure (airports, highways, railways, marine ports), energy infrastructure and communications infrastructure.

The Sub-Investment Manager will employ a bottom-up investment process focused on identifying Sustainable Infrastructure Companies of above average quality trading at below average valuations. An above average quality trading company is one that is scored as above average across the metric categories that comprise in the Sub-Investment Manager's proprietary quality framework, as described below. The Sub-Investment Manager believes a deep understanding of individual companies and industries is a prerequisite to bottom-up stock selection. Analysts within the Sub-Investment Manager serve as subject matter experts for an assigned coverage universe and are responsible for conducting fundamental research on 30-50 stocks across 3-5 major infrastructure industry groupings, with assignments informed by prior experience. Fundamental research at the company level includes, but is not limited to, the study of company financial statements and filings, conducting regular meetings with senior management and other key employees, identifying key revenues and cost drivers, understanding the outlook for company profitability and growth, understanding competitive positioning, researching the company's contributions to environmental and social objectives and how those align to the SDGs, visiting and evaluating key assets, understanding the company's governance and ownership structures, and engaging with third-party research providers. Fundamental research at the industry level includes, but is not limited to, identifying key themes and trends, calibrating growth expectations and maintaining relationships with third-party industry experts. Given the relatively static nature of the universe of listed infrastructure companies, benefits of the Sub-Investment Manager's research efforts are expected to accrue over time.

There are three primary areas of focus when assessing securities for inclusion in the portfolio: quality, valuation, and market perception. Quality and valuation assessments are proprietary to the Sub-Investment Manager and are standardised across the global universes, and consideration of environmental, social and governance ("**ESG**") factors is fully integrated into the analysis of securities. Integration of ESG considerations is made possible by regular engagement with company management teams, including correspondence with company employees specifically focused on ESG issues, a proprietary materiality framework, supplemented by insights from third-party research providers, and intentional hiring efforts (e.g. hiring individuals that have relevant ESG and sustainability experience), with all dedicated team members bringing relevant experience in analysing sustainability and ESG considerations.

The quality framework seeks to assess a company's quality and expected change over seven metric categories. The seven metric categories consist of infrastructure business quality, business strategy, market outlook, management, balance sheet, growth and profitability and ESG practices. ESG is a category that directly informs a company's overall quality score. Sustainability considerations are also related to several other quality categories, in particular the assessment of infrastructure business quality, which considers the nature of a company's regulatory relationships and the predictability and longevity of its cash flows, assessment of a company's balance sheet, and assessment of a company's management team. A company's classification as a Sustainable Infrastructure Company is thus dependent on minimum governance standards.

The Sub-Investment Manager's assessment of an infrastructure company's quality includes validating that the company's contributions to the SDGs are in line with its expectations for a Sustainable Infrastructure Company in the relevant subsector and country. Relevant information may be obtained through direct contact with companies and is supplemented with third party specialist research where deemed appropriate.

The valuation framework involves the construction of discounted cash flow-based valuation models. It uses a standardised methodology that allows for global comparability of valuation conclusions and a focus on relative value. Other valuation metrics are also considered where appropriate. Differentiation between sustainability leaders and laggards are typically reflected in terminal growth rate assumptions, the nature of scenarios constructed, and probabilities assigned to each scenario. Strong environmental credentials may also support higher growth assumptions during the explicit forecast period.

In considering market perception as a component of its security analysis, the Sub-Investment Manager aims to identify sources of variation with consensus that may drive total return potential which means that the Sub-Investment Manager will consider a variety of different market perceptions as part of its analysis so that it can identify the types of events and the timing of such events that may result in closing the gap between a security's expected valuation and the market's current valuation, resulting in a realized total return for investors. These incremental components of an investment thesis allow the Sub-Investment Manager to monitor whether an investment is continuing to align to its original thesis and if not, allows the Sub-Investment Manager to pursue a different strategy, including the potential exit of an investment. The Sub-Investment Manager also seeks to forecast outcomes related to upcoming events and other share price drivers and articulate a path to value realisation. The Sub-Investment Manager relies on its in-depth fundamental research of both companies and infrastructure sub-sectors to determine what outcomes relate to upcoming company and industry events which are most probable. The conclusions influence the valuation assessment, in particular the assumptions and probability assigned for each scenario. In particular, the aim is distinguish between market perception of a company's sustainability efforts and ESG credentials and reality to ensure that capital is also allocated to those infrastructure businesses whose sustainability credentials may be less well appreciated but which nonetheless play a critical role in contributing to the world's most important social and environmental objectives.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

  Companies selected for investment must be deemed to contribute positively to at least one of the 6 Focus SDGs. Expected contributions to the individual targets and indicators vary depending on the type of company and its subsector and/or country of operation. Expected contributions must also be measurable and disclosed at the time of investment.

Companies selected for investment also cannot be deemed misaligned with the 17 SDGs overall. A company is deemed to be misaligned with the 17 SDGs overall when, based on the Sub-Investment Manager's assessment, its negative contributions to the underlying targets and indicators of the SDGs outweighs the company's positive contributions. The Sub-Investment Manager's sustainable investing strategy is designed to achieve positive ESG outcomes by applying an inclusionary screen to identify listed infrastructure companies for the Fund's portfolio. The Sub-Investment Manager evaluates a company across the following areas: overall quality, including quality of its ESG practices, valuation, market perception and alignment with SDGs. In assessing a company's quality of its ESG practices and overall quality, the Sub-Investment Manager evaluates both how a company currently performs relative to listed infrastructure peers as well as its potential to improve. The Sub-Investment Manager aims to prioritize investment in companies which it believes have sustainability credentials that are not yet reflected in the market valuation of the company's security.

The Sub-Investment Manager assesses a company's ESG practices and potential for those practices to change by, among other things, maintaining a proprietary ESG ratings-framework, supplemented by insights from third party research providers (e.g., sell side research firms, ESG rating firms), and regular engagement with company management teams, including correspondence with company employees specifically focused on ESG issues. The proprietary ratings framework seeks to benchmark companies against what the Sub-Investment Manager believes to be the ESG practices of leading listed infrastructure companies.

Please refer to the information above on the use of sustainability indicators and the do no significant harm assessment for further information on the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. To ensure good governance, the Sub-Investment Manager relies on its in-depth fundamental research, including review of company's governance-related disclosures and filings and engagement with senior executives from investee companies. Its views on an investee company's governance practices are also supplemented with third party specialist research and data, including with respect to the PAIs. Following the Sub-Investment Manager's fundamental research, it assigns a proprietary governance rating to each portfolio company.

To support its rating efforts, the Sub-Investment Manager maintains a proprietary materiality framework and aims to benchmark companies against what it believes to be the governance practices of leading listed infrastructure companies. Current areas of focus for the Sub-Investment Manager's research into the governance practices of investee companies include:

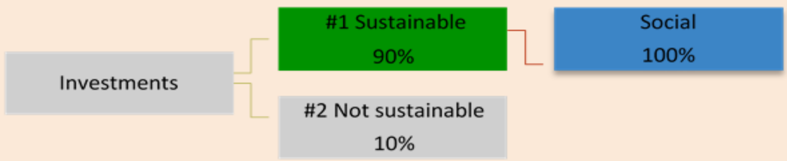
- Ownership structure
- Board composition

- Compensation & alignment
- Business ethics
- Accounting
- Reporting & transparency
- Any further governance related controversies, encompassing those with respect to management structure, employee relations, remuneration of staff and tax compliance.

What is the asset allocation and the minimum share of sustainable investments?

A minimum of 90% of investments are expected to be sustainable investments with a social objective, allowing for up to 10% exposure to cash, cash equivalents and hedging instruments.

Sustainable investments with a social objective are also expected to be sustainable investments with an environmental objective. This is because the Sub-Investment Manager views environmental contributions from listed infrastructure companies as closely linked to a company's social contribution as a provider of basic economic infrastructure rather than as a standalone objective.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Not applicable as derivatives are not used to attain the sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

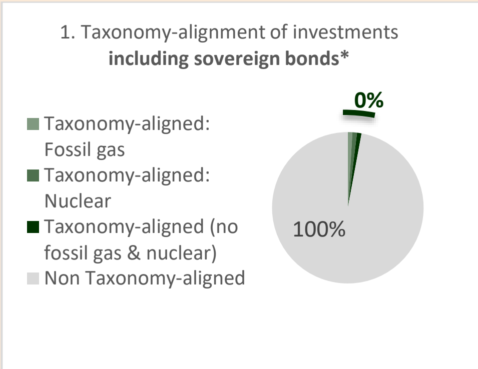
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

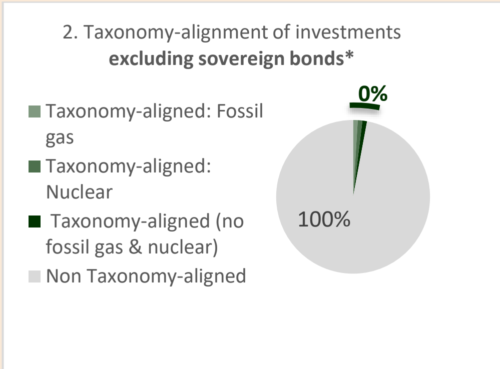
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.***

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

90%

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Not sustainable" are cash, cash equivalents and hedging instruments. The Fund has minimum environmental or social safeguards in

explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

place for these holdings, such that they will be in line with, and will not affect, the delivery of the Fund's sustainable investment objective.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No. There is no specific index designated as a reference benchmark to meet the sustainble investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  Not applicable. There is no specific index designated as a reference benchmark to meet the sustainble investment objective.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to meet the sustainble investment objective.

- ***How does the designated index differ from a relevant broad market index*?**

  Not applicable. There is no specific index designated as a reference benchmark to meet the sustainble investment objective.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to meet the sustainble investment objective.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/20df9ec9cace3cdd/original/Article-10-Website-Disclosure-PGIF-Global-Sustainable-Listed-Infrastructure-Fund.pdf

Supplement for the

Origin Global Smaller Companies Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Origin Global Smaller Companies Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The objective of the Fund is to seek to achieve capital growth through investment in global smaller companies.

1.2 Investment Policies

The Fund will invest in transferable equity and equity-related securities of a diversified range of companies throughout the globe, normally with a maximum market capitalisation on purchase of up to US$5 billion. These securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (only held where an existing holding is subject to an issuance of warrants and, in aggregate, normally not more than 5% of the Fund's Net Asset Value) and rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts (such as ADRs and GDRs) for such securities, all of which are traded on securities exchanges or regulated markets listed in **Appendix E** to the Prospectus. On occasion, in markets where local restrictions exist which hinder direct ownership of equities, the Sub-Investment Manager on behalf of the Fund may access these equities indirectly through purchasing participation notes. Any exposure to China shall be through Hong Kong-listed "H" shares and other available depositary receipts. The Fund will not seek to be leveraged in any way through the use of any of the above instruments.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets.

Subject to complying with the investment restrictions of the Fund, the Fund may hold ancillary liquid assets such as bank deposits.

The Fund will not be leveraged in excess of 50% of its Net Asset Value. Investors should read the section entitled General Information and Special Investment Considerations and Risks before investing in the Fund.

The Fund applies the Manager’s Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

1.3 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to MSCI All Country All World Small Cap NTR (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or Sub-Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager and/or Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

1.4 Hedged Unit Classes

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.5 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking medium to long term capital growth and who are prepared to accept a higher degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well diversified portfolio.

2 INVESTMENT RESTRICTIONS

2.1 The general investment restrictions set out in **Appendix A** of the Prospectus shall apply. In addition, the following indicative investment guidelines shall apply specifically to the Fund:

(a) In order to ensure diversification individual stock exposure will normally be limited to 2% of the Net Asset Value of the Fund on purchase and any sub-sector exposure will normally be limited to 20% of the Net Asset Value of the Fund; and

(b) Cash will generally be in the range of 0-5% of the Net Asset Value of the Fund.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings General Information and Special Investment Considerations and Risks.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings General Information and Special Investment Considerations and Risks.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving six (6) months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Origin Asset Management LLP ("**Origin**" or the "**Sub-Investment Manager**") to act as a sub-investment manager to the Fund pursuant to a Sub-Investment Manager Agreement. Pursuant to this Sub-Investment Manager Agreement, the Investment Manager has delegated to Origin overall discretionary responsibility for the Fund's investments and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars.

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

The Dealing Deadline shall, until further notice, be 10:00 a.m. Dublin time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	**Minimum Initial Subscription (Relevant Class Currency)**	**Current Preliminary Charge (%)**	**Annual Management Fee (% per annum)**	**Administration Fee (% per annum)**	**Marketing and Distribution Fee (% per annum)**	**Annual Trustee Fee (% per annum) A**
A	1,000	5.00	1.70	0.15	0	Not more than 0.0220
D	1,000	5.00	0.85	0.15	0.85	Not more than 0.0220
I	2,000,000	0.00	0.85	0	0	Not more than 0.0220
N	1,000	0.00	0.85	0.15	0	Not more than 0.0220

10.2 The Sub-Investment Manager, Origin, may establish and operate one or more "**Research Payment Account(s)**" in accordance with Article 13 of the Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council ("**MiFID II Delegated Directive**") as applicable. Each such Research Payment Account will be used to pay for investment research provided by brokers or other research providers selected by Origin. The Research Payment Account will be funded by a direct research charge payable by the Fund which will not be linked to the value or volume of transactions executed on behalf of the Fund. The research charge will be collected on a periodic basis alongside any brokerage commission and will be based on an annual budget for research payments which will be set and regularly reviewed by Origin in agreement with the Manager. Information on the budgeted amount for research will be made available by Origin to the Manager on an annual basis, and any increases to the estimated budget will be disclosed, in advance, by Origin to the Manager as frequent as such changes might occur. On the basis of information provided by Origin, the Fund shall disclose in each annual report the specific amount paid by it to any Research Payment Account of Origin during the relevant financial reporting period.

10.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Hong Kong Dollar
A Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
I Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
N Class Accumulation	Hedged: Swiss Franc Unhedged: Euro, US Dollar, Sterling
N Class Income	Hedged: Swiss Franc Unhedged: Euro, US Dollar, Sterling

Supplement

for the

Preferred Securities Fund

19 April 2024

Principal Global Investors Funds

This Supplement contains specific information in relation to the Preferred Securities Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2, N2 and Income Plus Unit classes, in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. The likelihood is that due to capital erosion, the value of future returns would also be diminished. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The overall objective of the Fund is to provide a return consisting of income consistent with capital preservation.

1.2 Investment Policies

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of US dollar denominated preferred securities and debt securities. Within this, the Fund may invest, in particular, in convertible bonds and contingent convertible securities (**CoCos**). CoCos are hybrid bonds that may, when the issuer's capital ratio falls below a predetermined trigger level, be written down, written off or converted into an equity security. At the time of the Fund's investment, the majority of these securities will be rated as investment grade quality and may be listed or unlisted. The Fund's investments (other than permitted unlisted investments) will be listed on the exchanges and on markets listed in **Appendix E** to the Prospectus, although it is anticipated that the majority will be issued by US and/or European issuers.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than one third of the net assets of the Fund may be held in aggregate in ancillary liquid assets or non-preferred or debt securities or instruments, as referred to above.

The Fund's investments will generally be denominated in U.S. dollars, and any exposure to currencies other than U.S. dollar will be hedged back to U.S. dollars.

The Fund may invest up to 10% of its assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds ("**ETFs**"), the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank’s Guidance in relation to UCITS Acceptable Investment Funds.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager’s Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics considered by the Fund are greenhouse gas emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

The Sub-Investment Manager analyses potential investee companies identified pursuant to the investment decision making process with ESG considerations which are promoted by the Fund.

Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to Bloomberg Global Aggregate Corporate USD TR (the "**Index**") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Sub-Investment Manager maintains full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of the Index. Information on the methodology used for the calculation of the Index can be found from the Index provider's website www.msci.com.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.7 **Profile of a Typical Investor**

The Fund is suitable for investors seeking a return consisting of income consistent with capital preservation and who are prepared to accept, in normal market conditions, a medium degree of volatility of net asset value per annum.

All investors must be able to afford to set aside the invested capital for a medium term. The Fund is suitable as an investment in a well diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

The Fund will not invest more than 20% of its net assets in securities traded on markets/exchanges located in emerging markets.

The Fund will not invest more than 20% of its net assets in securities which at the time of investment are below investment grade.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as Investment Manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Spectrum Asset Management, Inc. ("**Spectrum**" or the "**Sub-Investment Manager**"), 2 High Ridge Park, Stamford, CT 06905, USA, to act as a Sub-Investment Manager to the Fund pursuant to a Sub-Investment Manager Agreement. Pursuant to this Sub-Investment Manager Agreement, the Investment Manager has delegated to the Sub-Investment Manager overall responsibility for the Fund's investments in preferred and debt securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit classes in the Fund.

The Sub-Investment Manager Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Spectrum is regulated by the U.S. Securities and Exchanges Commission.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Contingent Convertible Instruments (“**CoCo**s”) Risk and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the A2, D2, N2 and Income Plus Unit classes, will be declared and paid quarterly within 30 days of the end of each calendar quarter.

Distributions on the A2, D2, N2 and Income Plus Unit classes in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 22 April 2024 to 5.30 p.m. on 21 October 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day on which banks are open for business in Ireland other than Saturday or Sunday.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine that any particular Business Day is not a Dealing Day provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

Settlement Currency for Brazilian Real Hedged Unit Classes

The Settlement currency for Subscriptions and Redemptions relating to the Brazilian Real Hedged I Class Accumulation and the Brazilian Real Hedged I Class Income Unit Classes is the Base Currency for the Fund (USD).

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant class currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	0.90	0.00	Not more than 0.0220	0.15
A2	1,000	5.00	0.90	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.60	0.60	Not more than 0.0220	0.15
D2	1,000	5.00	0.60	0.60	Not more than 0.0220	0.15
I	2,000,000	0.00	0.40	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.60	1.10	Not more than 0.022 0	0.15
F2	1,000	0.00	0.60	1.10	Not more than 0.0220	0.15
P	1,000	0.00	0.60	0.10	Not more than 0.0220	0.15
N	1,000	0.00	0.50	0.00	Not more than 0.0220	0.15

N2	1,000	0.00	0.50	0.00	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 For A2, D2, N2 and Income Plus Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2 , N2 and Income Plus Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

10.3 In circumstances where such dividends and/or fees and expenses are charged to capital and/or dividends are declared out of capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2, N2 and Income Plus Unit classes (as relevant) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the **heading General Information; Income Units, Income Plus Units and Accumulation Units**.

10.5 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses.**

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: Australian Dollar, Euro, Japanese Yen, Singapore Dollar, Swiss Franc Unhedged: US Dollar, Hong Kong Dollar
A Class Income	Hedged: Australian Dollar, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
A2 Class Income	Hedged: Singapore Dollar Unhedged: US Dollar
A2 Class Income Plus	Hedged: Singapore Dollar Unhedged: US Dollar
D Class Accumulation	Hedged: Euro Unhedged: US Dollar

D Class Income	Hedged: Euro Unhedged: US Dollar
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
D2 Class Income Plus	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
F Class Accumulation	Hedged: Euro, Sterling Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
F2 Class Accumulation	Hedged: N/A Unhedged: US Dollar
F2 Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Australian Dollar, Brazilian Real, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swedish Kroner, Swiss Franc Unhedged: US Dollar
I Class Income	Hedged: Australian Dollar, Brazilian Real, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swedish Kroner, Swiss Franc Unhedged: US Dollar
N Class Accumulation	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swedish Kroner, Swiss Franc Unhedged: US Dollar
N Class Income	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swedish Kroner, Swiss Franc Unhedged: US Dollar
N2 Income	Hedged: N/A Unhedged: US Dollar
P Class Accumulation	Hedged: N/A Unhedged: US Dollar
P Class Income	Hedged: N/A Unhedged: US Dollar
X Class Accumulation	Hedged: N/A Unhedged: US Dollar

X Class Income	Hedged: N/A Unhedged: US Dollar

12 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: **Preferred Securities Fund** **Legal entity identifier**: **549300QIHU45DUO1RL56**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are greenhouse gas (GHG) emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

financial product are attained.

For assessing an investee company's practice on GHG emissions, the Sub-Investment Manager considers indicators on GHG emissions, carbon footprint, GHG intensity of investee companies and exposure levels for companies active in the fossil fuel sector.

For assessing an investee company's practice on transitioning to renewable sources of power, the Sub-Investment Manager considers indicators on their share of non-renewable energy production.

For assessing an investee company's practice on product liability and practice on health and safety, the Sub-Investment Manager considers indicators on violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - carbon footprint
- PAI 3 - GHG intensity of investee companies

- PAI 4 - Exposure levels for companies active in the fossil fuel sector
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report of the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of US dollar denominated preferred securities and debt securities. Within this, the Fund may invest, in particular, in convertible bonds and contingent convertible securities (CoCos). At the time of the Fund's investment, the majority of these securities will be rated as investment grade quality and may be listed or unlisted.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

In order to address the environmental characteristic promoted, the Sub-Investment Manager applies binding screening criteria to the selection of underlying assets as part of its investment decision making process. This selection criteria may not be disapplied or overridden by the Sub-Investment Manager.

The Sub-Investment Manager employs an approach based on assigning a tiered ESG risk level, as further described below, to each holding considered within the Fund. This assessment is subsequently incorporated in the fundamental analysis integral to investment decision making. Companies assigned with a high risk level could support a change in the underlying credit recommendation. Companies with a medium risk level can have material ESG challenges, but the Sub-Investment Manager believes these are typically manageable. Companies assigned a low risk level have effective ESG policies and relatively minor issues.

The Sub-Investment Manager's proprietary analysis to identify this tiered risk level for each company incorporates a review of a company's ESG risk-mitigation policies, ESG performance data and goal disclosures, supported by management discussions. This is supported with further third party data and research, such as Bloomberg and MSCI. However, the Sub-Investment Manager will consider, but does not rely on, rating agency and other third-party research opinions to solely make its determination.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the Fund's investment strategy are as follows:

1. Average rating - The average MSCI ESG rating of the Fund (based on the percentage of net assets of the Fund and the corresponding MSCI ESG rating of the parent company/issuer) will be BBB or better.
2. Minimum rating - No more than 20% of the net assets of the Fund will be invested in securities issued by companies with an MSCI ESG rating of BB or lower at any time.

N.B. In the absence of an MSCI ESG rating, the Sub-Investment Manager shall apply an estimated comparable rating, based on research inputs including MSCI. External ESG ratings will not be applied to cash, cash equivalents, and US Treasuries.

3. A set of fixed exclusion criteria is in place to exclude companies from consideration for investment:

   a. where their revenue is significantly derived from involvement in:

      i. producing thermal coal,

      ii. tobacco,

      iii. firearms,

      iv. gambling (as defined by the GICS Industry Sector classification), and

      v. adult entertainment sectors (as defined by the GICS Industry Sector classification).

   b. The Fund will exclude companies that are direct producers of or are associated with:

      i. controversial chemicals such as herbicides and pesticides deemed as health hazards,

      ii. minerals such as those which have been proven to be carcinogenic, and

      iii. products such as opioids and other addictive substances as defined by the Sub-Investment Manager's proprietary standards.

   c. The Fund will exclude holdings where an investee company's involvement in controversial weapons is identified as defined by the ISS Controversial Weapons Research methodology.

This screening and exclusion policy will apply across all securities holdings as described in the investment policy and does not specifically align itself to external guidelines or principles.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process and has the expectation that management is acting responsibly and ethically. Factors included in the Sub-Investment Manager's analysis of corporate governance include management oversight and accountability, risk management, financial disclosure and accounting standards, board quality, ethics and business conduct, political contributions, shareholder rights and a commitment to compliance and cybersecurity. This analysis is supported by resources including company financials and other disclosures, meetings with company management, third-party research, and industry conferences. The Sub-Investment Manager also engages with investee companies on an ongoing basis to ensure stewardship and progress towards addressing environmental and social concerns.

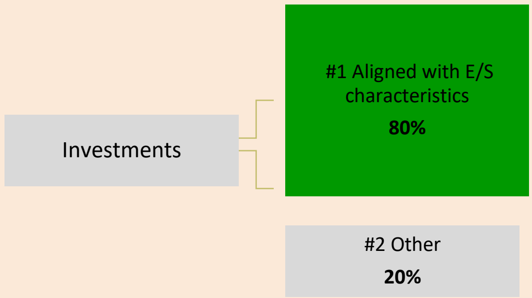
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

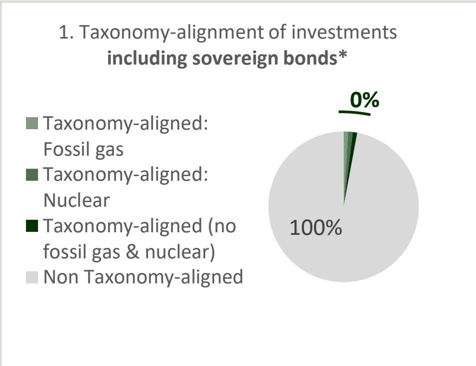
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

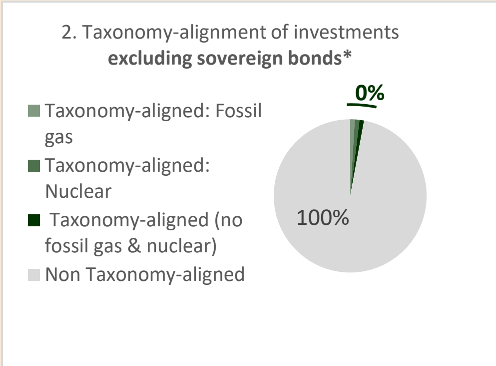
☐ Yes:

☐ In fossil gas In ☐ nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "**#2 Other**" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards. and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/2d5841436c6d424e/original/Article-10-Website-Disclosure-PGIF-Preferred-Securities-Fund.pdf

Supplement

for the

Principal Capital Securities Fund

1 March 2024

Principal Global Investors Funds

This Supplement contains specific information in relation to the Principal Capital Securities Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Table of Contents

1 Investment Objective, Policies and Profile of a Typical Investor

1.1 Investment Objective

The overall objective of the Fund is to provide a return consisting of income consistent with capital preservation.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of Euro denominated fixed rate, floating rate, fixed-to-float and fixed-to-fixed rate corporate bonds and other corporate fixed income securities made up of capital securities (including CoCos, subject to a limit of 30% of the Fund's net assets) and debentures. Capital securities (also known as 'hybrid securities') are a subset of the broader Euro denominated corporate bond universe that are issued either to satisfy regulatory capital requirements or rating agency capital credit criteria. CoCos are hybrid securities that may, when the issuer's capital ratio falls below a predetermined trigger level, be written down, written off or converted into an equity security. At the time of the Fund's investment, the majority of these securities (which is intended to be approximately 80% of the Fund's net assets) will be rated as investment grade quality by credit rating agencies such as Standard & Poor's, Moody's and Fitch, and may be listed or unlisted.

The Fund's investments (other than permitted unlisted investments) will be listed on the exchanges and on markets listed in Appendix E to the Prospectus, although it is anticipated that the majority will be issued by European issuers.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

The Fund's portfolio construction is determined by a bottom-up approach whereby the Sub-Investment Manager's credit team initially conducts extensive global, sovereign, industry, and credit analysis.

The Sub-Investment Manager's analysis consists of a review of an issuer's fundamentals, through both quantitative metrics (including considering capital adequacy, asset quality, earnings and liquidity) and qualitative considerations (including management style (primarily considering acquisitiveness, risk tolerance, strategic direction), business volatility, position, and relevant ESG issues). The Sub-Investment Manager also considers opinions issued by credit rating agencies and other third parties to supplement its own research but does not rely on this information.

The central drivers of the Sub-Investment Manager's security selection process are credit strength and yield. For a security to be considered for the Fund's portfolio, the credit status of the issuer must be stable and the security yield must be enticing, given the credit rating and credit trend relative to other hybrid securities and capital securities.

Parameters of credit risk tolerances are then determined for all issuers held or expected to be held in the Fund's portfolio. Initial emphasis is on the industries with a stable and/or improving outlook as indicated by the Sub-Investment Manager's credit team. The credit team then categorise the various credit issues into concentration limits for the Sub-Investment Manager to follow in constructing the Fund's portfolio. This categorisation is conducted using a multi-tier methodology which involves the credit team assigning a maximum concentration ranking to each “buy” recommendation, predicated on issuer size and risk profile. In general, the relevant concentration rankings are tiered from 1% to 5%. The credit team then actively monitors its “master list” of approved credit and concentration limits and any changes to this list will need to be considered by the Sub-Investment Manager. In particular, the Sub-Investment Manager places a significant amount of importance on portfolio diversification as a way to mitigate certain risks. Suitable diversification of the Fund's assets is ensured through implementing a maximum credit concentration of 7.5% per issuer, and an anticipated average credit concentration of less than 1.4% spread across over 70 different issuers.

Following the credit analysis of an issuer, the next step in the process is for the Sub-Investment Manager to construct a portfolio of capital securities, subordinated debt and hybrid securities which are suitably diversified with the objective of obtaining optimum potential income and capital preservation. The Fund's portfolio is continuously reviewed for opportunities to increase yield while balancing risk.

The Fund may invest up to 10% of its net assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets.

The Fund may, subject to a limit of one third of its net assets, also hold ancillary liquid assets such as cash, bank deposits and other hedging instruments.

The Fund's investments will generally be denominated in Euro, and any exposure to currencies other than Euro will be hedged back to Euro.

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR. The environmental characteristics considered by the Fund are greenhouse gas emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

The Sub-Investment Manager analyses potential investee companies identified pursuant to the investment decision making process with ESG considerations which are promoted by the Fund. Further information about the environmental and social characteristics promoted by the Fund and the binding elements of the investment strategy that are used to select investments to attain these characteristics is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "UNPRI") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to ICE BofA Subordinated Euro Financial Index (EBSU) (the "Index") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Investment Manager and the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of the Index. Information on the methodology used for the calculation of the Index can be found from the Index provider’s website indices.ice.com.

1.6 Hedged Unit Classes

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.7 Profile of a Typical Investor

The Fund is suitable for investors seeking a return consisting of income consistent with capital preservation and who are prepared to accept, in normal market conditions, a medium degree of volatility of net asset value per annum. All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well diversified portfolio.

2 Investment Restrictions

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

The Fund will not invest more than 20% of its net assets in securities traded on markets/exchanges located in emerging markets.

The Fund will not invest more than 20% of its net assets in securities which at the time of investment are below investment grade.

The Fund will not invest more than 30% of its net assets in CoCos.

The Fund will not invest more than 5% of its net assets in warrants.

3 Efficient Portfolio Management

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund may utilise warrants, subject to a limit of 5% of its net assets, as an alternative method for the Fund to seek exposure to the assets which it intends to invest in, with the aim of reducing risk for the Fund's portfolio.

4 Borrowings

In accordance with the general provisions set out under the heading **General Information – Borrowings of the Prospectus**, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 Investment Manager

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**"), as investment manager to the Fund pursuant to the Investment Managers Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 Sub-Investment Manager

The Investment Manager has, in turn, appointed Spectrum Asset Management, Inc. ("**Spectrum**" or the "**Sub - Investment Manager**") to act as a sub-investment manager to the Fund pursuant to a Sub-Investment Managers Agreement. Pursuant to this Sub-Investment Managers Agreement, the Investment Manager has delegated to the Sub-Investment Manager overall responsibility for the Fund's investments in capital securities, subordinated debt, hybrid securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree. The Sub-Investment Managers Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Spectrum is regulated by the U.S. Securities and Exchange Commission.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit Classes in the Fund.

7 Risk Factors

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition, further risk considerations in respect of CoCos and the Sustainable Finance Disclosures are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 Distribution Policy

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 Key Information for Buying and Selling

Base Currency

Euro

Initial Issue Price in respect of any unlaunched classes of Units

EUR 10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than Euro, with the exception of the X classes which have an initial issue price of EUR 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 4 March 2024 to 5.30 p.m. on 4 September 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

10 Charges and Expenses

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant class currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.00	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.50	0.60	Not more than 0.0220	0.15

I	2,000,000	0.00	0.50	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.40	0.00	Not more than 0.0220	0.00
I3	20,000,000	0.00	0.45	0.00	Not more than 0.0220	0.00
N	1,000	0.00	0.50	0.00	Not more than 0.0220	0.15
X	1,000,000, 000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed to specific terms of business. Please refer to the Prospectus under the heading **General Information; Income Units, Income Plus Units and Accumulation Units**.

10.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10.4 The costs of establishing the Fund, which are not expected to exceed €39,000 will be borne by the Fund and amortised over the first 5 years of the Fund.

11 Other Information

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	Euro
A Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
A Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro

D Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
D Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I2 Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I2 Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I3 Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I3 Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
N Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
N Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
X Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
X Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Principal Capital Securities Fund

Legal entity identifier: 254900JX7NU1PHJH2J12

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: ___%**

☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are greenhouse gas (GHG) emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

1. For assessing an investee company's practice on GHG emissions, the Sub-Investment Manager considers the following indicators on the investee company:
   - GHG emissions;
   - carbon footprint;
   - GHG intensity of investee companies; and
   - exposure levels for companies active in the fossil fuel sector.

2. For assessing an investee company's practice on transitioning to renewable sources of power, the Sub-Investment Manager considers indicators on the investee company's share of non-renewable energy production.

3. For assessing an investee company's practice on product liability and practice on health and safety, the Sub-Investment Manager considers indicators on violations of:
   - UN Global Compact principles; and
   - Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable as the Fund does not intend to make sustainable investments.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 4 - Exposure levels for companies active in the fossil fuel sector
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report of the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of Euro denominated fixed rate, floating rate, fixed-to-float and fixed-to-fixed rate corporate bonds and other corporate fixed income securities made up of capital securities (including CoCos, subject to a limit of 30% of the Fund's net assets) and debentures. Capital securities (also known as 'hybrid securities') are a subset of the broader Euro denominated corporate bond universe that are issued either to satisfy regulatory capital requirements or rating agency capital credit criteria. CoCos are hybrid securities that may, when the issuer's capital ratio falls below a predetermined trigger level, be written down, written off or converted into an equity security. At the time of the Fund's investment, the majority of these securities (which is intended to be approximately 80% of the Fund's net assets) will be rated as investment grade quality by credit rating agencies such as Standard & Poor's, Moody's and Fitch, and may be listed or unlisted.

The Fund's investments (other than permitted unlisted investments) will be listed on the exchanges and on markets listed in Appendix E to the Prospectus, although it is anticipated that the majority will be issued by European issuers.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

The Fund's portfolio construction is determined by a bottom-up approach whereby the Sub-Investment Manager's credit team initially conducts extensive global, sovereign, industry, and credit analysis. The Sub-Investment Manager's analysis consists of a review of an issuer's fundamentals, through both quantitative metrics (including considering capital adequacy, asset quality, earnings and liquidity) and qualitative considerations (including management style (primarily considering acquisitiveness, risk tolerance, strategic direction), business volatility, position, and relevant ESG issues). The Sub-Investment Manager also considers opinions issued by credit rating agencies and other third parties to supplement its own research but does not rely on this information.

The central drivers of the Sub-Investment Manager's security selection process are credit strength and yield. For a security to be considered for the Fund's portfolio, the credit status of the issuer must be stable and the security yield must be enticing, given the credit rating and credit trend relative to other hybrid securities and capital securities.

Parameters of credit risk tolerances are then determined for all issuers held or expected to be held in the Fund's portfolio. Initial emphasis is on the industries with a stable and/or improving outlook as indicated by the Sub-Investment Manager's credit team. The credit team then categorise the various credit issues into concentration limits for the Sub-Investment Manager to follow in constructing the Fund's portfolio. This categorisation is conducted using a multi-tier methodology which involves the credit team assigning a maximum concentration ranking to each “buy” recommendation, predicated on issuer size and risk profile. In general, the relevant concentration rankings are tiered from 1% to 5%. The credit team then actively monitors its “master list” of approved credit and concentration limits and any changes to this list will need to be considered by the Sub-Investment Manager.

Following the credit analysis of an issuer, the next step in the process is for the Sub-Investment Manager to construct a portfolio of capital securities, subordinated debt and hybrid securities which are suitably diversified with the objective of obtaining optimum potential income and capital preservation. The Fund's portfolio is continuously reviewed for opportunities to increase yield while balancing risk.

In order to address the environmental characteristic promoted, the Sub-Investment Manager applies binding screening criteria to the selection of underlying assets as part of its investment decision making process. This selection criteria may not be disapplied or overridden by the Sub-Investment Manager.

The Sub-Investment Manager employs an approach based on assigning a tiered ESG risk level, as further described below, to each holding considered within the Fund. This assessment is subsequently incorporated in the fundamental analysis integral to investment decision making. Companies assigned with a high risk level could support a change in the underlying credit recommendation. Companies with a medium risk level can have material ESG challenges, but the Sub-Investment Manager believes these are typically manageable. Companies assigned a low risk level have effective ESG policies and relatively minor issues.

The Sub-Investment Manager’s proprietary analysis to identify this tiered risk level for each company incorporates a review of a company’s ESG risk-mitigation policies, ESG performance data and goal disclosures, supported by management discussions. This is supported with further third party data and research, such as Bloomberg and MSCI.

However, the Sub-Investment Manager will consider, but does not rely on, rating agency and other third-party research opinions to solely make its determination.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Notwithstanding the Exclusions Policy disclosed in the Prospectus, the binding elements of the Fund's investment strategy are as follows:

1. Average rating -The average MSCI ESG rating of the Fund (based on the percentage of net assets of the Fund and the corresponding MSCI ESG rating of the parent company/issuer) will be BBB or better.
2. Minimum rating - No more than 20% of the net assets of the Fund will be invested in securities issued by companies with an MSCI ESG rating of BB or lower at any time.

   N.B. In the absence of an MSCI ESG rating, the Sub-Investment Manager shall apply an estimated comparable rating, based on research inputs including MSCI. External ESG ratings will not be applied to cash and US Treasuries.
3. A set of fixed exclusion criteria is in place to exclude companies from consideration for investment:
   a. where their revenue is significantly derived (ie, one third or more) from involvement in:
      i. producing thermal coal,
      ii. tobacco,
      iii. firearms,
      iv. gambling (as defined by the GICS Industry Sector classification), and
      v. adult entertainment sectors (as defined by the GICS Industry Sector classification).
   b. The Fund will exclude companies that are direct producers of or are associated with:
      i. controversial chemicals such as herbicides and pesticides deemed as health hazards,
      ii. minerals such as those which have been proven to be carcinogenic, and
      iii. products such as opioids and other addictive substances as defined by the Sub-Investment Manager's proprietary standards.
   c. The Fund will exclude holdings where an investee company's involvement in controversial weapons is identified as defined by the ISS Controversial Weapons Research methodology.

This screening and exclusion policy will apply across all securities holdings as described in the investment policy and does not specifically align itself to external guidelines or principles.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process and has the expectation that management is acting responsibly and ethically. Factors included in the Sub-Investment Manager's analysis of corporate governance include management oversight and accountability, risk management, financial disclosure and accounting standards, board quality, ethics and business conduct, political contributions, shareholder rights and a commitment to compliance and cybersecurity. This analysis is supported by resources including company financials and other disclosures, meetings with company management, third-party research, and industry conferences. The Sub-Investment Manager also engages with investee companies on an ongoing basis to ensure stewardship and progress towards addressing environmental and social concerns.

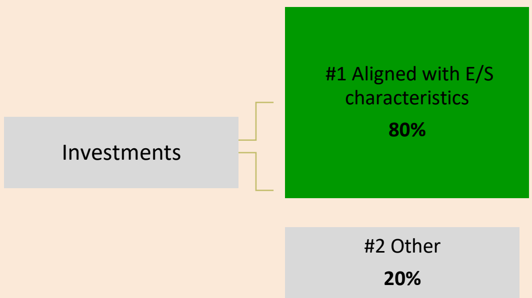
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

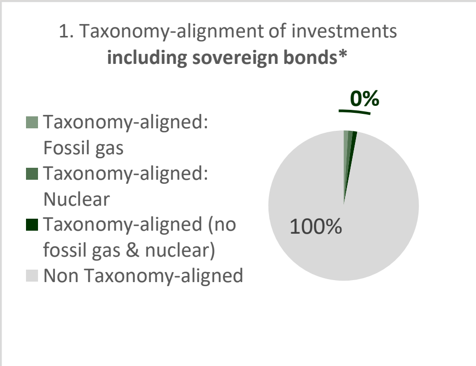
☐ Yes:

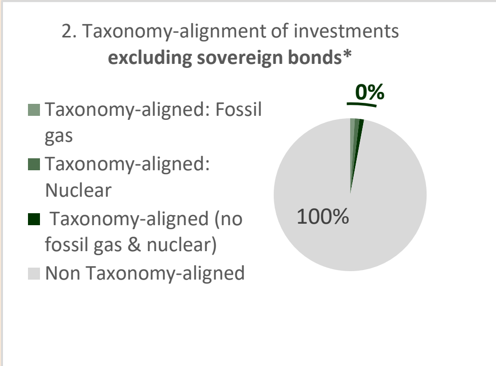
☐ In fossil gas ☐ In nuclear energy

☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.***

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash does not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.principalam.com/eu/about-us/esg

Supplement

for the

Principal High Grade Capital Securities Fund

19 February 2024

Principal Global Investors Funds

This Supplement contains specific information in relation to the Principal High Grade Capital Securities Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Table of Contents

1 Investment Objective, Policies and Profile of a Typical Investor

1.1 Investment Objective

The overall objective of the Fund is to provide a return consisting of income consistent with capital preservation.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of Euro denominated fixed rate, floating rate, fixed-to-float and fixed-to-fixed rate corporate bonds and other corporate fixed income securities made up of capital securities and debentures. Capital securities (also known as 'hybrid securities') are a subset of the broader Euro denominated corporate bond universe that are issued either to satisfy regulatory capital requirements or rating agency capital credit criteria. They are typically subordinated bonds and rank lower than senior corporate bonds in a liquidation or bankruptcy. At the time of the Fund's investment, all of these securities will be rated as investment grade quality by credit rating agencies such as Standard & Poor's, Moody's and Fitch, and may be listed or unlisted. The Fund will not invest in CoCos.

The Fund's investments (other than permitted unlisted investments) will be listed on the exchanges and on markets listed in Appendix E to the Prospectus, although it is anticipated that the majority will be issued by European issuers.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

The Fund's portfolio construction is determined by a bottom-up approach whereby the Sub-Investment Manager's credit team initially conducts extensive global, sovereign, industry, and credit analysis. The Sub-Investment Manager's analysis consists of a review of an issuer's fundamentals, through both quantitative metrics (including considering capital adequacy, asset quality, earnings and liquidity) and qualitative considerations (including management style (primarily considering acquisitiveness, risk tolerance, strategic direction), business volatility, position, and relevant ESG issues). The Sub-Investment Manager also considers opinions issued by credit rating agencies and other third parties to supplement its own research but does not rely on this information.

The central drivers of the Sub-Investment Manager's security selection process are credit strength and yield. For a security to be considered for the Fund's portfolio, the credit status of the issuer must be stable and the security yield must be enticing, given the credit rating and credit trend relative to other hybrid securities and capital securities.

Parameters of credit risk tolerances are then determined for all issuers held or expected to be held in the Fund's portfolio. Initial emphasis is on the industries with a stable and/or improving outlook as indicated by the Sub-Investment Manager's credit team. The credit team then categorise the various credit issues into concentration limits for the Sub-Investment Manager to follow in constructing the Fund's portfolio. This categorisation is conducted using a multi-tier methodology which involves the credit team assigning a maximum concentration ranking to each “buy” recommendation, predicated on issuer size and risk profile. In general, the relevant concentration rankings are tiered from 1% to 5%. The credit team then actively monitors its “master list” of approved credit and concentration limits and any changes to this list will need to be considered by the Sub-Investment Manager. In particular, the Sub-Investment Manager places a significant amount of importance on portfolio diversification as a way to mitigate certain risks. Suitable diversification of the Fund's assets is ensured through implementing a maximum credit concentration of 7.5% per issuer, and an anticipated average credit concentration of less than 1.4% spread across over 70 different issuers.

Following the credit analysis of an issuer, the next step in the process is for the Sub-Investment Manager to construct a portfolio of capital securities, subordinated debt and hybrid securities which are suitably diversified with the objective of obtaining optimum potential income and capital preservation.

The Fund's portfolio is continuously reviewed for opportunities to increase yield while balancing risk.

The Fund may invest up to 10% of its net assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets.

The Fund may, subject to a limit of one third of its net assets, also hold ancillary liquid assets such as cash, bank deposits and other hedging instruments.

The Fund's investments will generally be denominated in Euro, and any exposure to currencies other than Euro will be hedged back to Euro.

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR. The environmental characteristics considered by the Fund are greenhouse gas emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

The Sub-Investment Manager analyses potential investee companies identified pursuant to the investment decision making process with ESG considerations which are promoted by the Fund. Further information about the environmental and social characteristics promoted by the Fund and the binding elements of the investment strategy that are used to select investments to attain these characteristics is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "UNPRI") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to ICE BofA Subordinated Euro Financial Index (EBSU) (the "Index") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Investment Manager and the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of the Index. Information on the methodology used for the calculation of the Index can be found from the Index provider's website indices.ice.com.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.7 **Profile of a Typical Investor**

The Fund is suitable for investors seeking a return consisting of income consistent with capital preservation and who are prepared to accept, in normal market conditions, a medium degree of volatility of net asset value per annum. All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well diversified portfolio.

2 Investment Restrictions

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

The Fund will not invest more than 20% of its net assets in securities traded on markets/exchanges located in emerging markets.

The Fund will not invest more than 5% of its net assets in warrants.

The Fund will not invest in CoCos.

3 Efficient Portfolio Management

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings General Information and Special Investment Considerations and Risks.

The Fund may utilise warrants, subject to a limit of 5% of its net assets, as an alternative method for the Fund to seek exposure to the assets which it intends to invest in, with the aim of reducing risk for the Fund's portfolio.

4 Borrowings

In accordance with the general provisions set out under the heading **General Information – Borrowings of the Prospectus**, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 Investment Manager

The Manager has appointed Principal Global Investors, LLC, ("**Principal Global Investors**" or the "**Investment Manager**"), as investment manager to the Fund pursuant to the Investment Managers Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 Sub-Investment Manager

The Investment Manager has, in turn, appointed Spectrum Asset Management, Inc. ("**Spectrum**" or the "**Sub - Investment Manager"**) to act as a sub-investment manager to the Fund pursuant to a Sub-Investment Managers Agreement. Pursuant to this Sub-Investment Managers Agreement, the Investment Manager has delegated to the Sub-Investment Manager overall responsibility for the Fund's investments in capital securities, subordinated debt, hybrid securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree. The Sub-Investment Managers Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Spectrum is regulated by the U.S. Securities and Exchange Commission.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit Classes in the Fund.

7 Risk Factors

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition, further risk considerations in respect of the Sustainable Finance Disclosures are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 Distribution Policy

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 Key Information for Buying and Selling

Base Currency

Euro

Initial Issue Price in respect of any unlaunched classes of Units

EUR 10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than Euro, with the exception of the X classes which have an initial issue price of EUR 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 20 February 2024 to 5.30 p.m. on 16 August 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

10 Charges and Expenses

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant class currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.00	0.00	Not more than 0.0220	0.15

D	1,000	5.00	0.50	0.60	Not more than 0.0220	0.15
I	2,000,000	0.00	0.50	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.40	0.00	Not more than 0.0220	0.00
I3	20,000,000	0.00	0.45	0.00	Not more than 0.0220	0.00
N	1,000	0.00	0.50	0.00	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed to specific terms of business. Please refer to the Prospectus under the heading **General Information; Income Units, Income Plus Units and Accumulation Units**.

10.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10.4 The costs of establishing the Fund, which are not expected to exceed €35,000 will be borne by the Fund and amortised over the first 5 years of the Fund.

11 Other Information

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	Euro
A Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
A Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
D Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
D Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona

	Unhedged: Euro
I Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I2 Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I2 Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I3 Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
I3 Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
N Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
N Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
X Class Income	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro
X Class Accumulation	Hedged: US Dollar, Sterling, Swiss Franc, Swedish Krona Unhedged: Euro

12 SFDR Annex

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: **Principal High Grade Capital Securities Fund** **Legal entity identifier**: **254900145FTYGHH1MB36**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are greenhouse gas (GHG) emissions reduction and transitioning to renewable sources of power. The social characteristics considered by the Fund are health and safety and product liability.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

1. For assessing an investee company's practice on GHG emissions, the Sub-Investment Manager considers the following indicators on the investee company:
   - GHG emissions;
   - carbon footprint;
   - GHG intensity of investee companies; and
   - exposure levels for companies active in the fossil fuel sector.

2. For assessing an investee company's practice on transitioning to renewable sources of power, the Sub-Investment Manager considers indicators on the investee company's share of non-renewable energy production.

3. For assessing an investee company's practice on product liability and practice on health and safety, the Sub-Investment Manager considers indicators on violations of:
   - UN Global Compact principles; and
   - Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-

Not applicable as the Fund does not intend to make sustainable investments.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as the Fund does not intend to make sustainable investments.

corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 4 - Exposure levels for companies active in the fossil fuel sector
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report of the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its overall objective by investing primarily in a portfolio of Euro denominated fixed rate, floating rate, fixed-to-float and fixed-to-fixed rate corporate bonds and other corporate fixed income securities made up of capital securities and debentures. Capital securities (also known as 'hybrid securities') are a subset of the broader Euro denominated corporate bond universe that are issued either to satisfy regulatory capital requirements or rating agency capital credit criteria. They are typically subordinated bonds and rank lower than senior corporate bonds in a liquidation or bankruptcy. At the time of the Fund's investment, all of these securities will be rated as investment grade quality by credit rating agencies such as Standard & Poor's, Moody's and Fitch, and may be listed or unlisted. The Fund will not invest in CoCos.

The Fund's investments (other than permitted unlisted investments) will be listed on the exchanges and on markets listed in Appendix E to the Prospectus, although it is anticipated that the majority will be issued by European issuers.

The Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in depth proprietary research, and strategic and disciplined portfolio construction.

The Fund's portfolio construction is determined by a bottom-up approach whereby the Sub-Investment Manager's credit team initially conducts extensive global, sovereign, industry, and credit analysis. The Sub-Investment Manager's analysis consists of a review of an issuer's fundamentals, through both quantitative metrics (including considering capital adequacy, asset quality, earnings and liquidity) and qualitative considerations (including management style (primarily considering acquisitiveness, risk tolerance, strategic direction), business volatility, position, and relevant ESG issues). The Sub-Investment Manager also considers opinions issued by credit rating agencies and other third parties to supplement its own research but does not rely on this information.

The central drivers of the Sub-Investment Manager's security selection process are credit strength and yield. For a security to be considered for the Fund's portfolio, the credit status of the issuer must be stable and the security yield must be enticing, given the credit rating and credit trend relative to other hybrid securities and capital securities.

Parameters of credit risk tolerances are then determined for all issuers held or expected to be held in the Fund's portfolio. Initial emphasis is on the industries with a stable and/or improving outlook as indicated by the Sub-Investment Manager's credit team. The credit team then categorise the various credit issues into concentration limits for the Sub-Investment Manager to follow in constructing the Fund's portfolio. This categorisation is conducted using a multi-tier methodology which involves the credit team assigning a maximum concentration ranking to each “buy” recommendation, predicated on issuer size and risk profile. In general, the relevant concentration rankings are tiered from 1% to 5%. The credit team then actively monitors its “master list” of approved credit and concentration limits and any changes to this list will need to be considered by the Sub-Investment Manager.

Following the credit analysis of an issuer, the next step in the process is for the Sub-Investment Manager to construct a portfolio of capital securities, subordinated debt and hybrid securities which are suitably diversified with the objective of obtaining optimum potential income and capital preservation. The Fund's portfolio is continuously reviewed for opportunities to increase yield while balancing risk.

In order to address the environmental characteristic promoted, the Sub-Investment Manager applies binding screening criteria to the selection of underlying assets as part of its investment decision making process. This selection criteria may not be disapplied or overridden by the Sub-Investment Manager.

The Sub-Investment Manager employs an approach based on assigning a tiered ESG risk level, as further described below, to each holding considered within the Fund. This assessment is subsequently incorporated in the fundamental analysis integral to investment decision making. Companies assigned with a high risk level could support a change in the underlying credit recommendation. Companies with a medium risk level can have material ESG challenges, but the Sub-Investment Manager believes these are typically manageable. Companies assigned a low risk level have effective ESG policies and relatively minor issues.

The Sub-Investment Manager’s proprietary analysis to identify this tiered risk level for each company incorporates a review of a company’s ESG risk-mitigation policies, ESG performance data and goal disclosures, supported by management discussions. This is supported with further third party data and research, such as Bloomberg and MSCI.

However, the Sub-Investment Manager will consider, but does not rely on, rating agency and other third-party research opinions to solely make its determination.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Notwithstanding the Exclusions Policy disclosed in the Prospectus, the binding elements of the Fund's investment strategy are as follows:

1. Average rating -The average MSCI ESG rating of the Fund (based on the percentage of net assets of the Fund and the corresponding MSCI ESG rating of the parent company/issuer) will be BBB or better.
2. Minimum rating - No more than 20% of the net assets of the Fund will be invested in securities issued by companies with an MSCI ESG rating of BB or lower at any time.

   N.B. In the absence of an MSCI ESG rating, the Sub-Investment Manager shall apply an estimated comparable rating, based on research inputs including MSCI. External ESG ratings will not be applied to cash and US Treasuries.
3. A set of fixed exclusion criteria is in place to exclude companies from consideration for investment:
   a. where their revenue is significantly derived (ie, one third or more) from involvement in:
      i. producing thermal coal,
      ii. tobacco,
      iii. firearms,
      iv. gambling (as defined by the GICS Industry Sector classification), and
      v. adult entertainment sectors (as defined by the GICS Industry Sector classification).
   b. The Fund will exclude companies that are direct producers of or are associated with:
      i. controversial chemicals such as herbicides and pesticides deemed as health hazards,
      ii. minerals such as those which have been proven to be carcinogenic, and
      iii. products such as opioids and other addictive substances as defined by the Sub-Investment Manager’s proprietary standards.
   c. The Fund will exclude holdings where an investee company's involvement in controversial weapons is identified as defined by the ISS Controversial Weapons Research methodology.

This screening and exclusion policy will apply across all securities holdings as described in the investment policy and does not specifically align itself to external guidelines or principles.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process and has the expectation that management is acting responsibly and ethically. Factors included in the Sub-Investment Manager's analysis of corporate governance include management oversight and accountability, risk management, financial disclosure and accounting standards, board quality, ethics and business conduct, political contributions, shareholder rights and a commitment to compliance and cybersecurity. This analysis is supported by resources including company financials and other disclosures, meetings with company management, third-party research, and industry conferences. The Sub-Investment Manager also engages with investee companies on an ongoing basis to ensure stewardship and progress towards addressing environmental and social concerns.

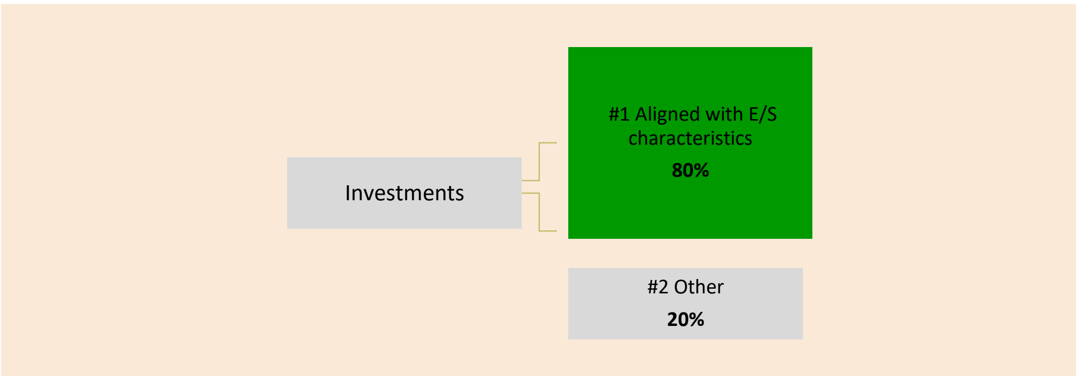
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

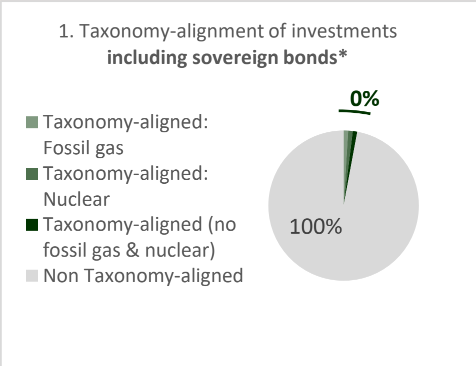
0%

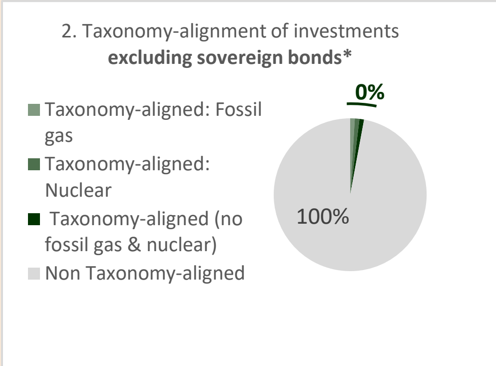
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash does not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.principalam.com/eu/about-us/esg

Supplement

for the

U.S Blue Chip Equity Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the U.S Blue Chip Equity Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the" **Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (together the "Prospectus").Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The investment objective of the Fund is to seek capital growth over the medium to long term.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The Fund seeks to achieve its objective by generally investing at least 80% of its net asset value in "Equity and Equity Related Securities" of companies which are incorporated and/or listed on stock exchanges in the United States. Equity and Equity Related Securities includes but is not limited to equities, American depositary receipts and global depositary receipts, preferred shares, unleveraged participation notes linked to the underlying equity and warrants (not more than 5% of the Fund's Net Asset Value). The Fund will be managed without excessive concentration in any one sector.

The Fund will be managed on the basis of the Investment Manager's fundamental investment process. This is entirely bottom up in approach – that is, the Investment Manager follows an investment approach that focuses on analysing individual companies rather than stock markets and wider macro economic factors and seeks to invest in "blue chip" companies (companies considered to have a good reputation, be well-established in the market, show strong fundamentals, and have weathered economic downturns). There is a preference to invest, where appropriate, in businesses whereby the owner generally has an ownership interest considerably larger than their annual compensation received from the business and management is focused on building long-term value for the company. The Investment Manager will seek to identify companies that have few competitors, where alternative businesses are low or unavailable, where a competitor's barriers to entry are high, and where a company has strong relationships with their buyers and suppliers. The focus will be on those companies that are managed by first or second generation founders or have management teams who are focused on long term growth rather than short term results.

It is expected that the Fund will have low portfolio turnover and focus on long term holdings. A risk assessment of each company is also factored into the investment process whereby the Investment Manager seeks to reduce exposure to companies whose competitive advantage may be under threat, either by uncharacteristic management decisions leading to poor business results, a breakthrough competitor or perhaps new technologies that redefine the competitive landscape.

The Fund may also invest in Equity and Equity Related Securities of companies which are incorporated and/or listed on stock exchanges outside the United States. The securities acquired by the Fund (other than permitted unlisted investments) will be listed or traded on the exchanges and markets referred to in Appendix E to the Prospectus.

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit). However generally no more than 10% of the net assets of the Fund may be held in aggregate in ancillary liquid assets, non-Equity and Equity Related Securities.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in other Investment Funds.

The Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to Russell 1000 Growth TR (the "**Index**") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

1.4 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks** pertaining to such Units.

1.5 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long–term and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise derivative techniques and instruments for the purposes of currency hedging for the Hedged Unit Classes and for efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. The Fund may engage in foreign currency transactions either on a spot or forward basis to reduce the risks of adverse market changes in exchange rates. The Fund may invest in the following range of FDI:

Forwards - the Fund may enter into forward currency contracts which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

A forward settled transaction delays settlement of a transaction to a forward date.

Swaps - A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency.

Currency swaps can be used to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes.

Further information is set out in the Prospectus under the headings **General Information** and

Special Investment Considerations and Risks.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the Asset Replication Strategy are also applicable and investors' attention is dawn to the relevant information pertaining to these set out in the prospectus.

7 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

8 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day on which banks are open for business in Ireland, other than Saturday or Sunday, provided that it is not a public holiday in the United States.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day and which in all cases shall be prior to the Valuation Point.

Dealing Deadline

Means such time or times of day as the Manager may from time to time determine which shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

9 CHARGES AND EXPENSES

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.20	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.60	0.75	Not more than 0.0220	0.15
I	2,000,000	0.00	0.60	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.35	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.60	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.60	0.00	Not more than 0.0220	0.15

9.1 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10 OTHER INFORMATION

10.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
A Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
F Class Accumulation	Hedged: N/A Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
I Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
I2 Class Accumulation	Hedged: N/A Unhedged: US Dollar
I2 Class Income	Hedged: N/A Unhedged: US Dollar
N Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
N Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling

Supplement for the

Finisterre VAG Unconstrained EM Fixed Income Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Finisterre VAG Unconstrained EM Fixed Income Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

As the Fund has the ability to invest more than 20% of its Net Asset Value in emerging markets and/or more than 30% of its Net Asset Value in debt securities which are not rated, or considered to be of below investment grade quality, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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1 INTERPRETATION AND DEFINITIONS

Defined terms used in this Supplement bear the meanings given below. Terms defined in the Prospectus bear the same meanings in this Supplement except where the context otherwise requires (including where such terms are otherwise defined below). In the event of any inconsistency between the Prospectus and this Supplement, the terms of this Supplement will prevail.

"**Rating Agency**"	means a recognised agency who provide credit quality ratings of fixed-income securities, such as Moody's, Fitch or Standard & Poor's; and
"**VAG**"	Means the German Act on the Supervision of Insurance Undertakings or "Versicherungsaufsichtsgesetz". In order for the Fund to be an eligible investment for German insurance companies the Fund will need to be managed, where relevant, in compliance with VAG. The Fund is subject to the Regulations and shall only seek to comply with VAG to the extent it does not cause the Fund to be in breach of any requirement of the Regulations or Central Bank Requirements.

2 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

2.1 Investment Objective

The investment objective of the Fund is to seek to generate total returns through income and capital appreciation, while limiting volatility and capital losses.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

2.2 Investment Policies

The Fund seeks to achieve its objective by actively investing in a diversified range of fixed-income and financial derivative instruments ("**FDI**"), a majority (not less than 51%) issued by or relating to underlying issuers in, emerging markets. The Fund may also invest in fixed income instruments and FDI issued by or relating to underlying issuers in, developed markets. These include corporate, sovereign and quasi-sovereign entities. The securities and FDIs which the Fund invests in (other than permitted unlisted investments) shall be listed or traded on the markets set out in Appendix E to the Prospectus.

The Fund may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**").

The Fund seeks to extract value from investments in both investment grade and high yield fixed income instruments rated at least B- by Standard & Poor's or Fitch, or B3 by Moody's, or if unrated, deemed by the Sub-Investment Manager to be of comparable quality, to the extent permitted by the VAG. Where more than one rating is available for a given instrument, the lower of the two best credit ratings shall be used to determine whether the instrument meets the aforementioned minimum rating requirements ("**Minimum Rating Requirements**"). These instruments can include both stressed and distressed securities (i.e. debt securities and debt-related instruments, as further outlined in paragraphs (a) (i) – (iii) below, of issuers facing financial or operational difficulties such as potential default or bankruptcy risks including below investment grade debt securities). Should any asset be downgraded to below the Minimum Rating Requirements, or the Sub-Investment Manager deems it to be below the Minimum Rating Requirements, it will generally be liquidated within 6 months, although it may, at the Sub-Investment Manager's discretion continue to be held in the portfolio if the total value of these assets represents less than 3% of the Fund's total assets and the Sub-Investment Manager considers that it is in the best interests of the Fund to do so for the purposes of seeking to achieve the investment objective.

Instruments may be denominated in "hard currencies", which are currencies widely accepted around the world as a form of payment for goods and services and generally come from a nation with a strong economic and political situation, such as USD or EUR, or may be denominated in the local currency of the emerging market country.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies for both sovereign and corporate entities. Its aim is to maximise yield and minimise volatility while maintaining portfolio liquidity throughout a typical 3-year market cycle. The Fund seeks to achieve its investment objective of limiting volatility and capital losses by utilising the range of instruments as set out below to vary the construction of the portfolio at different points of a 3-year market cycle. During a period of positive market performance, the Fund may seek to weight its exposure towards high income securities, such as non-investment grade bonds with a long duration, whereas during a period of negative market performance, the Fund may seek to weight its exposure towards lower risk securities, such as US treasury notes, to potentially minimise the exposure to the negative market performance and limit volatility and capital losses. The foregoing construction of the Fund's portfolio, as well as the use of FDI, as set out in section 2.6 below, to hedge or mitigate certain risks, contribute to reducing volatility, portfolio risk exposure and downside potential during periods of adverse market conditions and stress.

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed in section 2.3 below.

Subject to compliance with the Regulations and VAG, the investment philosophy is fully unconstrained, focused on total return, is not managed either directly or indirectly in reference to a benchmark.

The Fund may invest in the following range of instrument types:

(a) debt-related instruments of corporate, sovereign and quasi-sovereign issuers:

   (i) bonds: fixed-coupon bonds, floating-coupon bonds; convertible bonds; callable or puttable bonds which meet the Minimum Rating Requirements, or if unrated, deemed by the Sub-Investment Manager to be of comparable quality, to the extent permitted by the VAG;

   (ii) Rule 144A securities;

   (iii) bills; treasury notes and corporate notes; certificates of deposit; and

(iv) FDI: bond futures and credit default swaps ("**CDS**") and credit linked notes which may embed the foregoing FDI;

(b) currency FDIs including forwards, futures, options and swaps. As further outlined below currency FDIs may be used for both hedging and investment purposes. The currency strategy of the Fund will be implemented by both direct investment in securities denominated in the local currency of an emerging market country and also via the use of FDI.

The Fund may gain exposure to currencies via FDI in order to allow the Fund to benefit from perceived mispricing of such currencies against the Base Currency. If the Sub-Investment Manager believes that a currency is undervalued, it may cause the Fund to purchase such currency through FDI. In addition, if the Sub-Investment Manager believes that a currency is overvalued, it may cause the Fund to sell such currency through FDI;

(c) interest rate FDIs including swaps, futures, forward agreements and options;

(d) total return swaps ("**TRS**") on:

(i) bonds which are locally listed and for which the Fund does not have domestic settlement capabilities; and

(ii) UCITS eligible financial indices, in accordance with the requirements of the Central Bank, the constituents of which include the types of instruments in which the Fund will directly invest as described in this Section 2.2. Any such investment in financial indices may also be made indirectly through UCITS eligible collective investment schemes. The Fund may hold equities as a result of the conversion of a convertible bond or as the result of a debt restructuring. The Sub-Investment Manager shall seek to dispose of such equities as soon as possible while taking into account the best interests of the Fund and its unitholders.

Of the above bonds that the Fund may use, convertible bonds, callable or puttable bonds, mortgage-backed securities and asset-backed securities may embed FDI (listed herein) and/or leverage. The Fund shall not invest in collateralized loan obligations.

Investments in over the counter ("**OTC**") FDIs are subject to the requirements of the Central Bank. The securities in which the Fund invests may also be in developed markets.

The universe of emerging markets includes any country excluding the G10, Portugal, Spain, Norway, Denmark, Finland, Australia and New Zealand.

The Fund will not invest more than 10% of its Net Asset Value in Russian securities exclusively settled on the Moscow exchange.

It is not possible to comprehensively list in this Supplement all the financial indices used as they have not, as of the date of noting of this Supplement, been selected and they may change from time to time. However, the indices will be eligible indices according to the requirements of the Central Bank and will include bond, CDS and currency indices provided by the major index providers in that area. Additional information regarding the indices used will be available from the Sub-Investment Manager upon request.

A proportion of the net assets of the Fund may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds.

The Fund may obtain both long and short exposure to the above instruments as further described in Section 5 below. The Fund may only hold short positions synthetically through the use of the FDIs described below. The short positions will be taken as a means of seeking to reduce the Fund's exposure to market fluctuations, to profit from overvalued assets or assets that are likely to deteriorate in value and to gain/reduce exposure in a cost effective manner.

If in the opinion of the Sub-Investment Manager, it is in the best interests of the Fund, the Fund can retain amounts in cash or ancillary liquid assets (including money market instruments such as fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes and debentures, and cash deposits) pending investment or reinvestment.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

2.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund.

The Fund promotes environmental and social characteristics as defined in the SFDR, namely greenhouse gas ("GHG") emissions, employee welfare and citizen welfare across emerging market countries. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "UNPRI") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalglobal.com/eu/about-us/responsible-investing.

2.4 Disclosures for the Taxonomy Regulation

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

2.5 How the Fund References an Index or Benchmark

The Fund is not managed with reference to a benchmark or index and the environmental and social characteristics recognised are identified independently of any index or benchmark.

2.6 Use of FDI

The Fund uses the following FDIs for investment purposes as well as for hedging and/or efficient portfolio management purposes. These FDIs include:

Futures

In purchasing a futures contract, the buyer agrees to purchase a specified underlying on a specified future date. In selling a futures contract, the seller agrees to sell a specified underlying on a specified future date. The price at which the purchase and sale will take place is fixed when the buyer and seller enter into the contract. Futures not calling for physical delivery of the underlying instrument will be settled through cash payments rather than through delivery of the underlying instrument. Futures can be held until their delivery dates or can be closed out by offsetting purchases or sales of futures contracts before then if a liquid market is available. The Fund may realise a gain or loss by closing out its futures contracts.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying. Therefore, purchasing futures contracts will tend to increase the Fund's exposure to positive and negative price fluctuations in the underlying, much as if it had purchased the underlying directly. When the Fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying or the final cash settlement price, as applicable, unless the contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker, known as a futures commission merchant ("**FCM**"), when the contract is entered into. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain is entitled to receive all or a portion of this amount.

Because there are a limited number of types of exchange-traded futures contracts, it is likely that the standardised contracts available will not match the Fund's current or anticipated investments exactly. The Fund may invest in futures contracts based on securities with different issuers, maturities or other characteristics from the securities in which the Fund typically invests, which involves a risk that the futures position will not track the performance of the Fund's other investments.

Futures prices can also diverge from the prices of their underlying, even if the underlying match the Fund's investments well. Futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded or from imposition of daily price fluctuation limits or trading halts. The Fund may purchase or sell futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in the Fund's futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

The Fund may use bond and interest rate futures contracts to efficiently manage the duration, or interest rate sensitivity, of the Fund. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security results in lower transaction costs being incurred and less disruption to the underlying assets of the Fund. The Fund may also use futures contracts to hedge or gain exposure to currencies.

Forwards

A forward contract locks-in the price at which a bond or a specific currency may be purchased or sold on a future date. The contract holders are obliged to buy or sell the bond or currency at a specified price, at a specified quantity and on a specified future date. The party agreeing to buy the underlying in the future assumes the long position, and the party agreeing to sell the asset in the future assumes a short position. This reduces the Fund's exposure to changes in the value of the bond or currency it will deliver and increases its exposure to changes in the value of the bond or currency it will receive for the duration of the contract.

Currency forwards are used to hedge unwanted currency risk. Currency forwards are also used by the Fund for investment purposes to enhance the return of the Fund by achieving a specific currency exposure or to shift exposure to currency fluctuations from one currency to another. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Currency forwards have the risk of currency exposure in the same way as a regular currency spot transaction. Currency forwards are traded OTC and therefore have counterparty risk. Forward contracts also carry roll risk, which is the risk that when a forward contract expires, a new forward to replace the expired one cannot be put into place at the same cost or on the same hedge basis. This may occur due to changes in market liquidity or interest rates, resulting in a potential slippage or loss in the hedge position due to the contract expiration and roll.

Bond forwards are used in the same manner as interest rate futures in markets or where futures contracts are not available or lack suitable liquidity. Bond forwards have the same duration risk as the bond as it is simply a forward settlement of a purchase or sale. In addition, there is counterparty risk associated with these instruments.

Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies or bond prices.

The Fund may use forwards, including currency forwards, for (i) efficient portfolio management or (ii) as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Options

Options are a contract which gives the owner the right, but not the obligation, to buy or sell an underlying at a specified strike price on or before a specified date. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of an underlying at a specified price. The purchase of a put option would allow the Fund to benefit from a decrease in the price of the underlying asset, while also limiting the amount of loss it may sustain. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. These contracts can be used both to gain investment exposure and hedge exposures to the global fixed income markets and the currency markets.

Options can be both exchange traded as well as traded OTC. Options carry the risk of the underlying such as a bond or a currency pair. Options on a bond future also carry the same basis risk as that futures contract. In addition, OTC traded FDI have counterparty risk.

There are a number of reasons why the Fund may choose to use options. In the first instance, such options have a defined pay-out profile which may be attractive to the Fund versus an outright position in the underlying.

Additionally, instruments, such as options, can be used to take a positional view on volatility, which is the amount of uncertainty or risk about the size of changes in an instrument's value. For example, foreign exchange options may also be used to take a positional view on currency volatility whereby the Fund could buy or sell exposure to volatility on a daily basis across a range of currency pairs, irrespective of the direction of the price movements. To do this the Fund may utilise an options strategy called a 'straddle'. A straddle involves the simultaneous purchase of two options at the same strike price and for the same expiry date. For example, exposure to volatility may be bought by buying a 'long straddle' which involves buying a call option and a put option on the same currency. The Fund would profit from any increase in market volatility. Similarly, exposure to volatility may be sold by selling a straddle which involves selling a call option and a put option on the same currency. The Fund would profit from any decline in market volatility.

Swaps

Swaps are individually negotiated and structured to include exposure to a variety of different types of investments or market factors and can vary in term like other fixed-income investments. Most swap agreements are traded over-the-counter. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or swapped between the parties are calculated with respect to a notional amount, which is the predetermined principal of the trade representing the hypothetical underlying quantity upon which payment obligations are computed.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's investments. Swap agreements are subject to liquidity risk, meaning that the Fund may be unable to sell a swap contract to a third party at a favourable price. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

Under a standard interest rate swap, two counterparties agree to exchange specified cash flows for a specified period of time. Generally, a floating rate cash flow is exchanged for a series of fixed interest rate payments. The counterparty that receives the fixed rate payments obtains interest rate exposure similar to buying a fixed rate bond and the other counterparty obtains floating rate interest exposure. The exchanged cash flows are based off a "notional" amount of principal that is not physically exchanged between counterparties. Interest rate swaps are customizable and frequently trade out to 10 years, making interest rate swaps a more flexible tool to be used in managing interest rate risk along the yield curve.

A TRS is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include the types of assets that the Fund can acquire directly as described in Section 2.2 above) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets). The Fund may use TRS to gain exposure to an asset without owning it or taking physical custody of it. For example, if the Fund invests in a TRS on an underlying security, it will receive the price appreciation of the underlying security in exchange for payment of an agreed- upon fee. The Fund will enter into TRS with institutions such as those described in section 6.3 of Appendix A entitled **Investment Restrictions** in the Prospectus.

In a CDS, the credit default protection buyer makes periodic payments, known as premiums, to the credit default protection seller. In return the credit default protection seller will make a payment to the credit default protection buyer upon the occurrence of a specified credit event. A CDS can refer to the types of assets that the Fund can acquire directly as described in Section 2.2 above, each known as the reference entity or underlying asset. The Fund may act as either the buyer or the seller of a CDS. The Fund may buy or sell credit default protection on the assets. In an unhedged CDS, the Fund buys credit default protection on the asset without owning the underlying asset. CDSs involve greater and different risks than investing directly in the reference asset, because, in addition to market risk, CDSs include liquidity, counterparty and operational risk.

CDSs allow the Fund to acquire or reduce credit exposure to a particular issuer or asset. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. If the Fund is the credit default protection seller, the Fund will experience a loss if a credit event occurs and the credit of the reference entity or underlying asset has deteriorated. If the Fund is the credit default protection buyer, the Fund will be required to pay premiums to the credit default protection seller. In the case of a physically settled CDS in which the Fund is the protection seller, the Fund must be prepared to pay par for and take possession of debt of a defaulted issuer delivered to the Fund by the credit default protection buyer. Any loss would be offset by the premium payments the Fund receives as the seller of credit default protection.

Swaptions can be used, whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Swaptions may be used for hedging and investment purposes or, if sold, as a source of additional income in the form of a premium.

The Fund may use swaps for efficient portfolio management or as an alternative way to gain long or short exposure to the instruments detailed in the Investment Policies above.

Investors' attention is drawn to the information set out in the Prospectus under the headings 'General Information' and 'Special Investment Considerations and Risks'.

2.7 Profile of a Typical Investor

The Fund is suitable for investors who are prepared to accept, in normal market conditions, a medium degree of volatility of Net Asset Value from time to time.

3 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply. In addition the following investment restrictions shall apply to the Fund.

- The Fund shall not invest more than 10% of its net asset value in Rule 144A securities.

- The Fund will not invest more than 10% of its net asset value, on a aggregated basis, in securities or financial instruments which are listed on stock exchanges not approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (“**BaFin**”)) and unlisted securities or unlisted financial instruments but which, for the avoidance of doubt, in each case, fulfil the relevant criteria as set forth in the EU Directive 2007/16/EC.

- The Fund shall not invest in contingent convertible securities ("**CoCos**").

The Fund's investments will (save for permitted unlisted investments) be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus.

4 SECURITIES FINANCING TRANSACTIONS

The Fund may enter into collateralised securities lending transactions from time to time, including but not limited to repurchase, reverse repurchase and stock lending agreements (together "**Repo Agreements**"), in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements. Such Securities Financing Transactions will only be utilised for efficient portfolio management purposes.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

When engaging in securities lending the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

When entering into a reverse repurchase agreement the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

When entering into a repurchase agreement the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

The proportion of assets of the Fund that are subject to Repo Agreements shall not exceed 100% of the Fund's assets under management, but will typically be less than 70% and there may be times when this is significantly lower or indeed when these instruments are not used at all. The Fund may use Repo Agreements to gain exposure to the instruments detailed in the Investment Policies above.

The proportion of assets of the Fund that are subject to TRS shall not exceed 100% of the Fund's assets under management, but will typically be less than 70% and there may be times when this is significantly lower or indeed when these instruments are not used at all. The Fund may use TRS to gain exposure to bonds (whether issued and settled in local currencies or not), bond indices, currency indices, CDS indices, ETFs (tracking bond indices), provided always that all indices are UCITS eligible financial indices.

The proportion may be dependent on, but is not limited to, factors such as the total Fund size and seasonal trends in the underlying market.

The Fund will enter into such transactions with institutions such as those described in Section 6.3 of Appendix A entitled **Investment Restrictions** in the Prospectus.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Manager on behalf of the Unit Trust or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager on behalf of the Unit Trust from time to time shall be included in the relevant semi-annual and annual reports of the Unit Trust. Neither the Investment Manager nor the Sub-Investment Manager receives reimbursements for costs or fees relating to the use of TRS by the Fund.

From time to time, the Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Trustee or other service providers of the Unit Trust. Such engagement may on occasion cause a conflict of interest with the role of the Trustee or other service provider in respect of the Unit Trust. Please refer to Section 7.7 of the Prospectus, entitled **Conflicts of Interest**, for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the semi-annual and annual reports of the Unit Trust.

While the Manager on behalf of the Unit Trust will conduct appropriate due diligence in the selection of counterparties, it is noted that the Central Bank Requirements do not prescribe any pre trade eligibility criteria for counterparties to a fund's Securities Financing Transactions. The Manager will however take into consideration the legal status, country of origin, credit rating and minimum credit rating (where relevant) of counterparties to both Securities Financing Transactions and TRS. The Manager shall, in considering the foregoing, seek to select counterparties that it believes to be creditworthy and financially sound, which typically have a minimum credit rating of A-2 or equivalent, or are deemed by the Manager to have an implied rating of A-2 or equivalent. Typically the Manager will seek counterparties that are body corporates established in developed jurisdictions.

Repurchase/reverse repurchase agreements, TRS or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to Section 3 of the Prospectus entitled **Special Investment Considerations and Risks**, as well as Section 8 below in respect of the risks related to **Securities Financing Transaction**s. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the risk management process of the Unit Trust.

5 BORROWINGS, LEVERAGE AND LONG/SHORT POSITIONS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

The Sub-Investment Manager uses a risk management technique known as Absolute VaR to assess the Fund's market risk to seek to ensure that its use of FDI is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed 4.47% calculated using a non-parametric approach with a one-tailed 99% confidence level for a daily horizon and considering at least two years of historical data.

It is expected that the Fund could incur gross notional leverage up to 12 times (1,200%) the Fund's Net Asset Value through the use of FDI, but the Fund may at times incur higher levels of leverage. The 12 times (1,200%) figure allows for the potential use of short term rates derivatives with very low duration, cross-country relative value or basis strategies, whose notional impact may be particularly high, but whose VaR impact is much more limited. Leverage is calculated as the sum of the absolute value of notionals of the FDI. This is not necessarily in the view of the Manager and the Sub-Investment Manager, an indicator of the level of economic leverage within the Fund as a result of the use of FDIs as this methodology does not reflect any netting or hedging arrangements that the Fund may have in place.

The Fund may take both long and short positions, and is typically expected to remain within the range of a maximum absolute value of 400% short and a maximum value of 800% long of the Fund's Net Asset Value

6 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

7 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Principal Global Investors (Europe) Limited (the "**Sub- Investment Manager**") to act as a sub-investment manager to the Fund. The Investment Manager has delegated to them overall responsibility for the Fund's investments and related aspects of the management of the Fund.

Principal Global Investors (Europe) Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom (the "**FCA**").

The Sub-Investment Manager will assume primary responsibility for discretionary portfolio management for the Fund subject to the oversight of the Investment Manager. The Investment Manager as a delegate of the Manager remains responsible for the oversight of its delegates and the Manager is ultimately responsible for the oversight of the discretionary portfolio management activities of the Fund.

8 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks, the FDI and Securities Financing Transactions Risks, the Convertible Bonds Risk, the

Sustainable Finance Disclosures Risks as well as the risks in relation to Investment in China and Investment in Russia are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

Eligibility for VAG Compliant Entities

Investors should note that changes to the VAG may affect the Fund’s eligibility for investment by entities subject to this legislation.

In addition, while it is intended that the Fund be managed to facilitate investment in the Fund by entities subject to the VAG, it is possible the Fund's portfolio construction may unintentionally or inadvertently result in the Fund becoming an ineligible investment by entities subject to the VAG.

9 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, will be declared and paid quarterly within 30 days of the end of each calendar quarter. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

10 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US Dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day on which banks are open for business in Ireland, other than Saturday or Sunday provided that it is not a public holiday in the United Kingdom or the United States.

Dealing Day

Every Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Dealing Deadline

Subscriptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Redemptions: 10:00 a.m. Dublin time on the relevant Dealing Day.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

11 CHARGES AND EXPENSES

11.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Administration Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)
A	100,000	5.00	1.50	0	0	Not more than 0.022
I	2,000,000	0.00	0.85	0	0	Not more than 0.022
I2	100,000,000	0.00	0.55	0	0	Not more than 0.022
I3	20,000,000	0.00	0.70	0	0	Not more than 0.022

11.2 The costs of establishing the Fund, which did not exceed USD 40,000, are being borne by the Fund and amortised over the first five years of the Fund.

11.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

12 OTHER INFORMATION

12.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar

A Class Accumulation	Hedged: N/A Unhedged: US Dollar
A Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Euro Unhedged: US Dollar
I Class Income	Hedged: Euro Unhedged: US Dollar
I2 Class Accumulation	Hedged: Euro Unhedged: US Dollar
I2 Class Income	Hedged: Euro Unhedged: US Dollar
I3 Class Accumulation	Hedged: Euro Unhedged: US Dollar
I3 Class Income	Hedged: Euro Unhedged: US Dollar

13 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Finisterre VAG Unconstrained EM Fixed Income Fund

Legal entity identifier: 549300JCX9JKF2KM4T26

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes greenhouse gas ("**GHG**") emissions, employee welfare and citizen welfare across emerging market countries.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

social characteristics promoted by the financial product are attained.

The Sub-Investment Manager uses exclusionary screening to measure the attainment of each of the characteristics promoted by the Fund:

<u>Corporate Issuers:</u>

For assessing a corporate issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to thermal or fossil fuel electricity generation or coal or other controversial fuel production.

For assessing a corporate issuer's practice on employee welfare, the Sub-Investment Manager considers exposure to United Nations Global Compact ("**UNGC**") violations.

For assessing a corporate issuer's practice on citizen welfare, the Sub-Investment Manager considers exposure to conventional weapons.

<u>Sovereign Issuers:</u>

For assessing a sovereign issuer's practice on GHG emissions, the Sub-Investment Manager considers exposure to GHG emissions in kg/$GDP.

For assessing a sovereign issuer's practice on citizen welfare, the Sub-Investment Manager considers the negative change in the issuer's overall MSCI ESG scoring on a rolling 12-month basis.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** The Sub-Investment Manager considers principal adverse impacts on sustainability fact by combining internal analysis of the Fund's holdings and third-party data against following indicators:

- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its objective by actively investing in a diversified range of fixed-income and financial derivative instruments ("**FDI**"), a majority (not less than 51%) issued by or relating to underlying issuers in, emerging markets. The Fund may also invest in fixed income instruments and FDI issued by or relating to underlying issuers in, developed markets.

The Fund follows a portfolio construction process, blending both technical and fundamental considerations. Assets are selected taking into account the key technical considerations of each asset such as liquidity, volatility and yield profile in various market conditions, as well as key fundamental considerations such as trends in spread, interest rates and currencies for both sovereign and corporate entities.

The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund, as further detailed below.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the Fund's investment strategy are as follows:

1. A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment. The Fund will exclude holdings as identified by MSCI data:
   a. where issuers generate at least 5% of their revenue from
      i. tobacco production
      ii. adult entertainment.
   b. Derive any revenue from having any involvement in the manufacturing or trade of controversial weapons.

2. Screening criteria is applied as part of its investment decision making process (both prior to investment and ongoing review of the Fund's holdings). The Fund implements and monitors the criteria using MSCI data.
   a. The Fund will not invest in corporate issuers which exhibit any of the below features, unless cleared for investment by the Sub-Investment Manager's ESG committee:
      i. GHG Emissions: corporate issuers with a 30% revenue threshold in thermal or fossil fuel electricity generation or coal or other controversial fuel production;
      ii. Employee Welfare: corporate issuers with significant United Nations Global Compact ("**UNGC**") violations in respect of the ten UNGC principles guiding corporate behaviour in the areas of human rights, labour rights, environment and corruption i.e., rated by MSCI as having either a 0 / "Fail" or 1 / "Severe" ESG controversy score in terms of degree of severity, how structural the issue is to the business and its current status (concluded or ongoing). Companies that have cases rated with low scores either fail the UNGC principles

or are put on a watch-list where the case is still ongoing and may still evolve positively or negatively;

iii. Citizen Welfare: corporate issuers with a 5% revenue threshold in conventional weapons.

b. The Fund will not invest in sovereign issuers which exhibit any of the below features, unless cleared by the Sub-Investment Manager’s ESG committee:

i. GHG Emissions: are in the global top 10% of greenhouse gas emissions in kg/$GDP; and

ii. Citizen Welfare: sovereign issuers with a greater than 10% rating downgrade relating to MSCI ESG scoring on a rolling 12-month basis.

This selection criteria may not be disapplied or overridden by the Sub-Investment Manager. Issuers identified according to the above screening criteria are then subject to the Sub-Investment Manager’s ESG committee-based qualitative review process. The review, which may not be disapplied or overridden by the Sub-Investment Manager, is triggered as soon as the above thresholds are reached or exceeded and aims to assess the merits of investment in, maintenance or exclusion of particular holdings through focussing on the qualitative details of the MSCI ESG assessment report, supplemented by any specific complementary and research analysis by the analyst in charge of issuer. The review will, amongst other things, include an assessment on the Sub-Investment Manager’s ability to engage with issuer(s) and the probable outcomes of doing so, as well as the resultant impact on the aforementioned ESG characteristics promoted by the Fund and of maintaining or divesting such holdings.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies and addresses governance considerations through evaluation of the status of certain issuers with regards to ESG controversies/deterioration flagged by periodic ESG monitoring and decides on their maintenance or potential exclusion as eligible portfolio investments as a result.

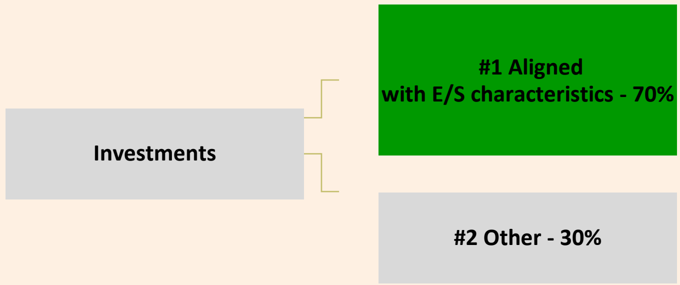
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will either be cash, cash equivalents, derivatives and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are used but not for the purposes of attaining the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules**.**

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

☐ In fossil gas In ☐ nuclear energy

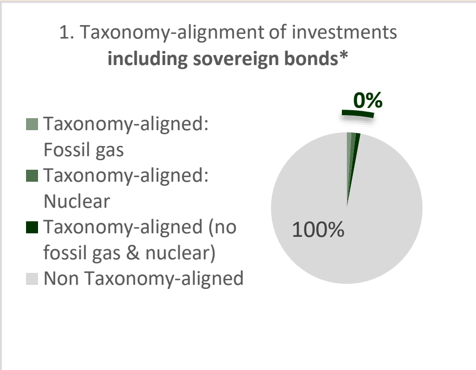
☒ **No**

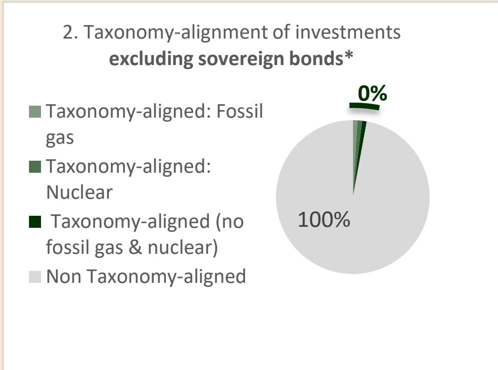
1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents, derivatives and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/4d5b2ca5031053f/original/Article-10-Website-Disclosure-PGIF-Finisterre-VAG-Unconstrained-EM-Fixed-Income-Fund.pdf

Supplement

for the

CCB Principal China New Energy Innovation Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the CCB Principal China New Energy Innovation Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The objective of the Fund is to aim to achieve a return from investment income and capital appreciation.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

1.2 Investment Policies

The objective of the Fund is to invest primarily in listed companies related to new energy industry and strives to achieve long-term stable appreciation of fund assets under the premise of strict risk control and good liquidity. The Fund will invest 80-95% of its assets in listed equities, of which the proportion of investment in "**New Energy Industry Stocks**" (as described below) shall not be less than 80%.

The Fund will invest in A-Shares through Stock Connect, which may include stocks on the ChiNext Board of the Shenzhen Stock Exchange, and/ or Qualified Foreign Investor's ("**QFI**", as defined below) Regime.

The Fund will be managed on the basis of both top-down and bottom-up research and risk management investment process. As the new energy industry in China is largely influenced by macro-economic and industry policies, the top-down approach allows the Fund to identify sub-sectors that are in the growth phase of industry life cycle and provided with policy encouragement. The Sub-Investment Manager first analyses the macro-economic trend in China, the pertinent government policies in new energy industry and the fundamentals of the new energy itself. The Sub-Investment Manager then further delineates the government support schemes on new energy sector, the changes in demand of new energy sector and the technical developmental trends to determine the prosperity level, and analyses the life cycle of various sub-sectors, such as industry size, profitability, technological advancement and the maturity of the technology, the productivity and salary level. The Sub-Investment Manager compares the competitiveness of the investee companies, focusing on the capability of research and development, the barriers of entry, number of industry players and relative size, number of customers and relative size of the same. With the bottom-up approach, the Fund delineates stocks in terms of operational excellence, brand name and the reputation, creativity, corporate governance, financial performance, ESG, market competitiveness and technological leadership. These are compared with the valuation and potential performance.

The Fund may invest in both listed and unlisted equity securities, with a minimum of 80% of the net assets of the Fund being in listed securities and a maximum of 10% of the net assets of the Fund permitted in unlisted securities. The Fund's investments will (other than permitted unlisted investments) be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus.

The equities in which the Fund may invest are common stock, American depositary receipts and global depositary receipts.

New Energy Industry Stocks refers to non-conventional energy stocks. Conventional energy refers to coal, petroleum and natural gas. New Energy mainly includes solar power, nuclear energy, geothermal energy, wind power, new energy vehicles and new energy services.

The New Energy Industry Stocks in which the Fund will invest therefore includes solar power, photovoltaic energy, wind power, nuclear power, hydroelectricity, electricity, shale gas, green power, biofuel, natural gas, geothermal energy, building energy efficiency, photoelectric glass curtain wall, ethanol fuel, hydrogen power, lithium battery, waste electricity generation, LED lighting, energy saving and environmental protection industry, new energy vehicles and new energy vehicles electronics. The Fund may invest in the upper or lower stream new energy supply chain listed companies and the new energy services companies benefited from the new energy sector.

The Fund may invest up to 10% of its assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds ("**ETFs**"), the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will not invest in AIFs.

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills; and government bonds which may be fixed or floating rate and investment grade; but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit).

The Fund may enter into reverse repurchase agreements in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements. Such reverse repurchase agreements will only be utilised for efficient portfolio management purposes.

The proportion of assets of the Fund that are subject to reverse repurchase agreements shall not exceed 20% of the Fund's assets under management, but will typically be less than 5-10% and there may be times when this is significantly lower or indeed when these instruments are not used at all. The Fund may use reverse repurchase agreements to gain exposure to the instruments detailed in the Investment Policies above.

Please refer to Section 2.3 of the Prospectus entitled Securities Financing Transactions and Risks for further information. The Fund will not use any other Securities Financing Transactions.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental characteristics as defined in the SFDR .

The environmental characteristics considered by the Fund are related to climate change mitigation. This includes the reduction of greenhouse gas emissions, carbon footprint and greenhouse gas intensity of investee companies.

The Sub-Investment Manager incorporates a proprietary ESG rating model as part of its investment decision making process for the Fund.

The Investment Manager is a signatory to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 Taxonomy Disclosure

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed. The Fund uses the 100% CSI New Energy Index (the "**Index**") for performance comparison purposes only. The Index selects 80 stocks which provide renewable energy production, energy applications, storage and interaction devices, or other new energy service as constituents. The Investment

Manager and/or the Sub-Investment Manager may reference the Index as part of the investment management process. However, the Investment Manager and/or the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental characteristics into account, and considerations of the environmental characteristics, as further outlined above are recognised independently of the Index.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such Units.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking access to China's equity market spanning both onshore and offshore listed companies.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise derivative techniques and instruments for the purposes of currency hedging for the Hedged Unit classes and for efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Futures

Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date.

The Fund may invest in futures contracts to reduce the risks of adverse market changes in exchange rates on large cash balances.

Forwards

The Fund may enter into forward currency contracts which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

A forward settled transaction delays settlement of a transaction to a forward date.

Further information is set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks.**

3 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

4 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as Investment Manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

5 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed CCB Principal Asset Management (Hong Kong) Co., Limited, Unit 1703, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, to act as a Sub-Investment Manager to the Fund (the "**Sub-Investment Manager**"). The Investment Manager has delegated to them overall responsibility for the Fund's investments and related aspects of the management of the Fund.

The Sub-Investment Manager was appointed pursuant to a Sub-Investment Manager Agreement, as amended.

Pursuant to the Sub-Investment Manager Agreement, the Investment Manager may delegate to the Sub-Investment Manager responsibility for the Fund's investment in securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

The Sub-Investment Manager is regulated by Securities and Futures Commission of Hong Kong.

6 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks and the Sustainable Finance Disclosure Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

7 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund. The Units of the Fund are Accumulation Units.

8 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US Dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2023 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland, Hong Kong and China.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day and which in all cases shall be prior to the Valuation Point.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and shall, until further notice be 10:00 a.m. Dublin time on the relevant Dealing Day.

Settlement Period

Settlement of all subscription applications for the Fund must be made within three Business Days after the relevant Dealing Day (T+3). Notwithstanding the terms of the Prospectus, settlement of redemption proceeds will be made within four Business Days after the relevant Dealing Day (T+4).

9 CHARGES AND EXPENSES

9.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	**Minimum Initial Subscription (Relevant class currency)**	**Current Preliminary Charge (%)**	**Annual Management Fee (% per annum)**	**Marketing and Distribution Fee (% per annum)**	**Annual Trustee Fee (% per annum)**	**Administration Fee (% per annum)**
A	1,000	0.00	1.75	0.00	Not more than 0.0220	0.15
B	100,000	0.00	1.50	0.00	Not more than 0.0220	0.15
I	2,000,000	0.00	0.90	0.00	Not more than 0.0220	N/A

9.2 The costs of establishing the Fund, which did not exceed USD 115,000, will be borne by the Fund and amortised over the first five years of the Fund.

9.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10 OTHER INFORMATION

10.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currencies
Base Currency	US Dollar

A Class Accumulation	Hedged: CNH, Singapore Dollar Unhedged: US Dollar, HK Dollar
B Class Accumulation	Hedged: CNH, Singapore Dollar Unhedged: US Dollar, HK Dollar
I Class Accumulation	Hedged: CNH, Singapore Dollar Unhedged: US Dollar, HK Dollar

11 SFDR ANNEX

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: CCB Principal China New Energy Innovation Fund **Legal entity identifier: 549300024IO0PHTQPK57**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _50_% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are related to climate change mitigation. This includes the reduction of greenhouse gas emissions, carbon footprint and greenhouse gas intensity of investee companies.

The Fund will invest at least 80% of its assets in New Energy Industry Stocks. New Energy Industry Stocks refers to non-conventional energy stocks. Conventional energy refers to coal, petroleum and natural gas. New Energy mainly includes solar power, nuclear energy, geothermal energy, wind power, new energy vehicles and new energy services.

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted b

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following indicators, prescribed by the principal adverse impacts ("**PAI**") on sustainability factors under SFDR, are used to measure the attainment of each of the characteristics promoted by the

the financial product are attained.

Fund:

- GHG emissions (PAI 1)
- Carbon footprint (PAI 2)
- GHG intensity of investee companies (PAI 3)

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objective of the sustainable investments is related to climate change mitigation, through renewable energy transition and adoption.

The investments contribute to the objective by engaging in activities which align with climate change mitigation through non-conventional energy which includes, but is not limited to, solar power, nuclear energy, geothermal energy, wind power, new energy vehicles and new energy services.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to be classified as a sustainable investment, the investments must do no significant harm ("DNSH") to environmental or social objectives and are assessed using the indicators for adverse impacts on sustainability factors, as noted below.

The investment due diligence process includes the consideration of principal adverse impacts on sustainability factors and alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, using available third party data. When third party data is not available, the Sub-Investment Manager utilises alternative data sources (including social media and online data such as news articles and blogs; and publicly available government and non-governmental organisations (NGO) data), as well as proprietary analysis and research to evaluate whether investee companies significantly harm any environmental or social objectives. This proprietary analysis and research includes the consideration of indicators other than the indicators for adverse impacts on sustainability factors, including industry salary level, amount of related parties' transactions, auditor's opinion, the stability of senior financial reporting department, staff turnover rate, degree of customer's satisfaction, compliance with equivalent local laws and regulations covering environmental considerations, and violations of human rights and labour relations.

If an investment is assessed as doing significant harm, then it will not be considered a sustainable investment.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The principal adverse impacts on sustainability factors have been taken into account by combining internal analysis of the Fund's holdings and third-party data against all mandatory indicators in Table 1 of SFDR Annex 1 and selected optional indicators in Table 2 and 3 of SFDR Annex 1, as noted below:

- Table 2, PAI 9: Investments in companies producing chemicals, and
- Table 3, PAI 1: Investments in companies without workplace accident prevention policies

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational* Enterprises *and the UN Guiding Principles on Business and Human Rights? Details:*

The investment due diligence process includes checks on violations against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, using available third party data. When third party data is not available the Sub-Investment Manager utilises alternative data sources, as well as proprietary analysis and research to evaluate whether investee companies significantly harm any environmental or social objectives, including compliance with equivalent local laws and regulations, covering environmental considerations, and violations of human rights and labour relations.

If an investment is assessed as being in violation of these international norms, it will not be considered a sustainable investment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

Yes, the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology, as such the indicators are reviewed at regular intervals or when newly reported information becomes available.

The principal adverse impacts on sustainability factors are taken into account for sustainable investments to assess DNSH. If an investment is assessed as doing significant harm, then it will not be considered a sustainable investment.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting template to be appended to the annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The objective of the Fund is to invest in listed companies related to new energy industry and strives to achieve long-term stable appreciation of fund assets under the premise of strict risk control and good liquidity. The Fund will invest 80-95% of its assets in listed equities, of which the proportion of investment in "**New Energy Industry Stocks**" (as described above) shall not be less than 80%.

The Fund will invest in A-Shares through Stock Connect, which may include stocks on the ChiNext Board of the Shenzhen Stock Exchange, and/ or Qualified Foreign Investor's Regime.

With regard to the new energy industry in China, the Fund will be managed on the basis of both top-down and bottom-up research and risk management investment process. As the new energy industry in China is largely influenced by macro-economic and industry policies, the top-down approach allows the Fund to identify sub-sectors that are in the growth phase of industry life cycle and provided with policy encouragement. The Sub-Investment Manager first analyses the macro-economic trend in China, the pertinent government policies in new energy industry and the fundamentals of the new energy itself. The Sub-Investment Manager then further delineates the government support schemes on new energy sector, the changes in demand of new energy sector and the technical developmental trends to determine the prosperity level, and analyses the life cycle of various sub-sectors, such as industry size, profitability, technological advancement and the maturity of the technology, the productivity and salary level. The Sub-Investment Manager compares the competitiveness of the investee companies, focusing on the capability of research and development, the barriers of entry, number of industry players and relative size, number of customers and relative size of the same. With the bottom-up approach, the Fund delineates stocks in terms of operational excellence, brand name and the reputation, creativity, corporate governance, financial performance, ESG, market competitiveness and technological leadership. These are compared with the valuation and potential performance.

The Fund may invest in both listed and unlisted equity securities, with a minimum of 80% of the net assets of the Fund being in listed securities. The Fund's investments will (other than permitted unlisted investments) be listed/traded on the exchanges and markets listed in Appendix E to the Prospectus.

The New Energy Industry Stocks in which the Fund will invest therefore includes solar power, photovoltaic energy, wind power, nuclear power, hydroelectricity, electricity, shale gas, green power, biofuel, natural gas, geothermal energy, building energy efficiency, photoelectric glass curtain wall, ethanol fuel, hydrogen power, lithium battery, waste electricity generation, LED lighting, energy saving and environmental protection industry, new energy vehicles and new energy vehicles electronics. The Fund may invest in the upper or lower stream new energy supply chain listed companies and the new energy services companies benefited from the new energy sector.

The Fund may invest in common stock, American depositary receipts and global depositary receipts.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible money market funds. The Fund will not invest in AIFs.

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills; and government bonds which may be fixed or floating rate and investment grade; but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit).

The Fund may enter into reverse repurchase agreements in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements. Such reverse repurchase agreements will only be utilised for efficient portfolio management purposes.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following are considered the binding elements of the Fund's investment strategy:

1. The Fund shall invest at least 80% of its assets in New Energy Industry Stocks, as defined in the Investment Strategy section.
2. The Fund shall invest at least 50% of its assets in 'sustainable investments' as defined in Article 2 (17) of the SFDR regulation.
3. The Fund will exclude stocks with internal ESG ratings of F, according to its proprietary ESG rating model.

The Sub-Investment Manager’s proprietary ESG rating model focuses on environmental factors at the industry level, and environmental and governance factors at the company level. Each investee company is rated across multiple indicators relative to environmental and governance and assigned an overall ESG rating, ranging from A-F (with A being the highest rating, and F being the lowest rating).

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

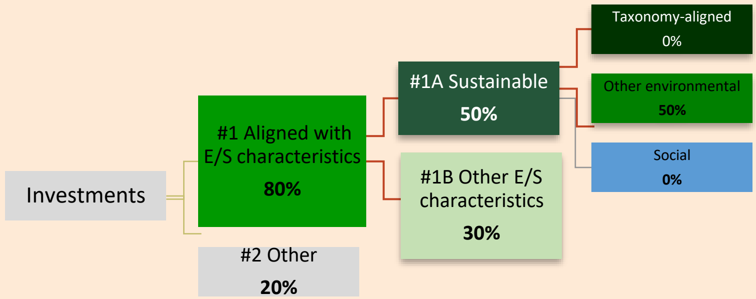
The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, the Sub-Investment Manager considers and continually monitors, as part of the investment process, multiple governance-related factors including but not limited to: management remuneration, related-party transactions, shareholder returns, external auditing opinions, regulator sanctions, tax compliance, employee relations and staff remuneration.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the environmental characteristics, with a minimum of 50% of assets to Sustainable Investments, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the environmental characteristics promoted by the Fund.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

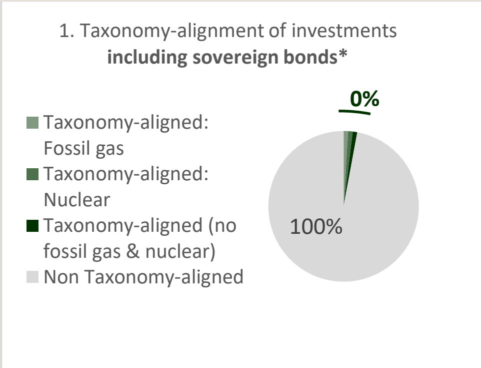
X **No**

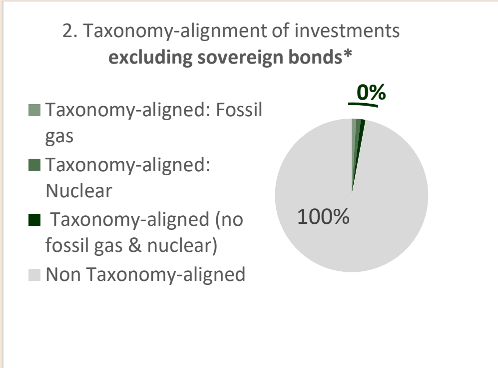
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***

  0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

100%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/269ad527b161ce83/original/Website-disclosure-pursuant-to-Article-10-of-the-EU-Sustainable-Finance-Disclosure-Regulation.pdf

Supplement

for the

Global High Yield Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Global High Yield Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the D2 and the Income Plus Units, in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holder's investment. In any such case, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. The likelihood is that due to capital erosion, the value of future returns would also be diminished. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 **Investment Objective**

The objective of the Fund is to provide a return consisting of income and, over the long term, capital growth.

1.2 **Investment Policies**

The Fund seeks to achieve its overall objective by investing the majority of the assets of the Fund in a portfolio of US dollar denominated public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds and Rule 144A securities (including Rule 144A securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchanges Commission, provided that they are eligible investments for the Fund). The Fund may also invest globally in public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds. These securities will generally be rated below investment grade. The Fund's investments will be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus, although it is anticipated that the majority will be issued by US and Canadian issuers.

The Fund seeks to add value primarily through value identification, downside protection, and risk diversification. Investment ideas are generated through internal research efforts, which are supplemented by external sources.

The Fund may also invest in real estate investment trusts ("**REITS**") or other REIT-like structures which will be the equivalent of REITS. The Fund may invest up to 10% of its NAV in UCITS eligible collective investment schemes, including money market funds and exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investment Funds.

The Fund will invest in companies or issuers that are consistent with the Investment Manager's Policy on Responsible Investing which takes account of environmental, social, and corporate governance ("**ESG**") criteria.

The Fund seeks to exclude companies or issuers from consideration for investment where their revenue is significantly derived from products that are considered unsuitable for the Fund based on its ESG focus (for example, cluster munitions, anti-personnel mines, nuclear weapons outside of the Treaty on the Non-Proliferation of Nuclear Weapons ("**NPT**"), biological weapons or chemical weapons).

Any investment exposure to currencies other than U.S. dollar will be hedged back to U.S. dollars.

The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than 1/3 of the assets of the Fund may be held in aggregate in ancillary liquid assets or non-high yield fixed income securities or instruments.

As investment in the Fund carries significant risk it may not be appropriate for all investors and should not constitute a substantial portion of an investor's overall investment strategy.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics considered by the Fund are toxic and carbon emissions, environmental opportunities, material sourcing and land use, product waste, water stress, financing environmental impact, and climate change vulnerability. The social characteristics considered by the Fund are health, safety and nutrition, product safety and quality, human capital and community management, privacy and data security, access to healthcare, communications and finance, insuring health and demographic risk and responsible investment.

The Investment Manager incorporates internally generated ESG scores to the selection of underlying assets as part of its investment decision making process for the Fund. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager is a signatory to the UN Principles for Responsible Investment (the "**UNPRI**") since 2010. As a signatory to the UNPRI the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. PRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 Taxonomy Disclosure

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 How the Fund References an Index or Benchmark

The Fund is actively managed with reference to ICE BofA Merrill Lynch Global High Yield USD Hedged (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Index does not take environmental or social characteristics into account. Information on the methodology of the calculation of the index can be found from the index provider's website www.theice.com. The Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager maintains full discretion to select investments for the Fund in line with the above investment policy and considerations of the environmental and social characteristics are recognised independently of the Index.

1.6 Hedged Unit Classes

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks** pertaining to such Units.

1.7 Profile of a Typical Investor

Investment in the Fund is suitable for investors seeking return consisting of income and, over the long term, capital growth and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

The Fund will not invest more than 20% of its net assets in securities traded on markets/exchanges located in emerging markets.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations** and **Risks**.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations** and **Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as Investment Manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund.

In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

7 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 Class Income Units and Income Plus Units, will be declared and paid quarterly within 30 days of the end of each calendar quarter. Distributions on the D2 Income Units and Income Plus Units in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

8 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

Settlement Currency for Brazilian Real Hedged Unit Classes

The Settlement currency for Subscriptions and Redemptions relating to the Brazilian Real Hedged I Class Accumulation and the Brazilian Real Hedged I Class Income Unit Classes is the Base Currency for the Fund (USD).

9 CHARGES AND EXPENSES

9.1 Investment and Management Charges:

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.00	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.60	0.60	Not more than 0.0220	0.15
D2	1,000	5.00	0.60	0.60	Not more than 0.0220	0.15
I	2,000,000	0.00	0.60	0.00	Not more than 0.0220	0.00

I3	20,000,000	0.00	0.50	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.60	1.10	Not more than 0.0220	0.15
P	1,000	0.00	0.60	0.15	Not more than 0.0220	0.15
N	1,000	0.00	0.60	0.00	Not more than 0.0220	0.15

9.2 For D2 and Income Plus Unit classes, the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the D2 and Income Plus Unit classes instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

9.3 In circumstances where dividends and/or fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the D2 and Income Plus Unit classes (as relevant) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

9.4 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

10 OTHER INFORMATION

10.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	Hedged: Australian Dollar, Euro, Singapore Dollar, Swiss Franc Unhedged: US Dollar, Hong Kong Dollar
A Class Income	Hedged: Australian Dollar, Euro, Singapore Dollar, Swiss Franc Unhedged: US Dollar

D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
D2 Class Income Plus	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
F Class Accumulation	Hedged: N/A Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Australian Dollar, Brazilian Real*, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I Class Income	Hedged: Australian Dollar, Brazilian Real*, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
I3 Class Accumulation	Hedged: Euro, Sterling, Swiss Franc Unhedged: US Dollar
I3 Class Income	Hedged: Euro, Sterling, Swiss Franc Unhedged: US Dollar
N Class Accumulation	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar
N Class Income	Hedged: Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc

	Unhedged: US Dollar
P Class Accumulation	Hedged: N/A Unhedged: US Dollar
P Class Income	Hedged: N/A Unhedged: US Dollar

*The Settlement currency for Subscriptions and Redemptions relating to Brazilian Real Hedged Unit Classes is the Base Currency for the Fund (USD).

11 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Global High Yield Fund

Legal entity identifier: 549300BUDV40JA07H774

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are toxic and carbon emissions, environmental opportunities, material sourcing and land use, product waste, water stress, financing environmental impact, and climate change vulnerability. The social characteristics considered by the Fund are health, safety and nutrition, product safety and quality, human capital and community management, privacy and data security, access to healthcare, communications and finance, insuring health and demographic risk and responsible investment.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

environmental or social characteristics promoted by the financial product are attained.

The Investment Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

Environmental Factors:

- Toxic and Carbon Emissions: Percentage of operations with high/moderate/low carbon and toxic emission intensity and policies in place to manage/reduce emissions.
- Environmental Opportunities: Degree to which the company is investing in renewable energy, clean technology and green building.
- Material Sourcing / Land Use: Evaluation of practices used by company in natural resource extraction and associated depletion thereof, controversial sourcing.
- Product Waste: Percentage of operations in businesses with high reliance on production of or use of packaging materials, consideration of regulation and recycling.
- Water Stress: Water intensity of business, location of operations in high/moderate/low water stress areas.
- Financing Environmental Impact: Potential credit or reputational risks resulting from indirect exposure to environmental concerns facing borrowers.
- Climate Change Vulnerability: Percentage of premiums derived from Property & Casualty (P&C) insurance lines, risks to insured exposure to geographies vulnerable to climate change effects, and integration of climate change risks into product strategy and risk management.

Social Factors:

- Health / Safety / Nutrition: Risk and management of health and safety-related issues that can lead to accidents causing production disruption, litigation, liabilities etc, nutritional evaluation of product portfolio.
- Product Safety & Quality: Evaluation of product and/or chemical safety as it relates to issues such as recalls, controversies, adverse effects on human health and the environment, percentage of revenues facing elevated product/service quality risks (vulnerable populations, government, public services), percentage of retail & consumer lending in loan portfolio.
- Human Capital & Community Management: Ability to adequately motivate, compensate, retain and manage workforce, high-reliance on skilled workers, jurisdictional & community relationships, supply chain labour standards, percentage of operations in business segments with high/moderate/low levels of employee specialization, education, and qualification needs, and levels of compensation per employee.
- Privacy & Data Security: Does business require collection or handling of sensitive personal data, cost and frequency of data breaches.
- Access (Healthcare, Communications, Finance): Access to healthcare; strong/weak access to internet, phone etc, opportunity to increase access to finance, extent to which companies take advantage of opportunities for growth and strengthening their reputation in developing countries and underserved markets.
- Insuring Health & Demographic Risk: Exposure to product lines and geographies facing emerging health risks, major demographic shifts, integration of risks into risk management and product strategy.
- Responsible Investment: Potential for competitive disadvantages in attracting ESG-related assets or asset depreciation due to ESG investment risks.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 4 - Exposure levels for companies active in the fossil fuel sector
- PAI 5 - Share of non-renewable consumption and production
- PAI 6 - Energy consumption intensity per high impact climate sector
- PAI 7 - Activities negatively affecting biodiversity-sensitive areas
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 11 - Lack of monitoring the compliance with UNGC principles and OECD guidelines for MNEs
- PAI 13 - Board gender diversity
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting disclosed in the annual report.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its overall objective by investing the majority of the assets of the Fund in a portfolio of US dollar denominated public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds and Rule 144A securities (including Rule 144A securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchanges Commission, provided that they are eligible investments for the Fund). The Fund may also invest globally in public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds.

The Fund seeks to add value primarily through value identification, downside protection, and risk diversification. Investment ideas are generated through internal research efforts, which are supplemented by external sources.

The Fund will invest in companies or issuers that are consistent with the manager's Policy on Responsible Investing which takes account of environmental, social, and corporate governance ("**ESG**") criteria.

In order to meet the environmental and social characteristics promoted, the manager incorporates internally generated ESG scores to the selection of underlying assets as part of its investment decision making process for the Fund. ESG scores are assigned to each instrument covered and incorporated into each instrument's overall assessment.

The Investment Manager uses a proprietary ESG scoring model to assess current holdings and potential investments on a forward-looking basis. This proprietary methodology draws on a range of data sources to provide a consistent framework across the universe of issuers, incorporating frequent rating updates. It also has the ability to identify companies in transition to better ESG scores.

This proprietary methodology is combined with rigorous fundamental research and manager subsequently screens investments incorporating the environmental and social characteristics described. As a result of this analysis, the lowest scoring ESG issuers are excluded from consideration for investment, and these exclusions can be applied at both an issuer and sector level. All holdings incorporate this commitment to environmental and social characteristics, with the exception of currency hedging instruments and cash.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy are as follows:

1. The Investment Manager assigns a proprietary ESG score to each instrument (excluding currency hedging instruments and cash) covered by the Fund.

2. Companies that score lower than 3, according to the propriety methodology, are deemed to have an ESG profile that is unfit to be included in the strategy's opportunity set and therefore would not make it into the Fund.

3. The strategy strives to have similar or better scores than the benchmark (ICE BofA Merrill Lynch Global High Yield USD Hedged Index) for the following metrics:

- MSCI ESG Quality Score,
- MSCI ESG Rating,

- MSCI Carbon Risk Category, and
- MSCI Controversies score.

4. The Investment Manager excludes companies or issuers where their revenue is significantly derived from products that are considered unsuitable for the Fund for example, cluster munitions, anti-personnel mines, nuclear weapons outside of the Treaty on the Non-Proliferation of Nuclear Weapons, biological weapons or chemical weapons.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The companies in which investments are made follow good governance practices and the Investment Manager invests in companies based on an evaluation of the board structure, management and business ethics.

The Investment Manager selectively (dependent upon the sector of the company) scores the following governance factors for every company invested in:

- Board Evaluation: Factors include CEO/chairman independent, entrenched board, board member experience, the presence of key committees (audit, compensation, etc.).
- Management Evaluation: Factors include management tenure, relevant experience, compensation & incentives.
- Business Ethics: Risk and history of ethics issues such as fraud, corruption, misconduct, instability, etc; anticompetitive practices; preventative measures against such problems.
- Financial System Instability: Extent to which companies may face enhanced regulatory scrutiny from contributions to systemic risk in financial markets; risk oversight, governance, commitments to ethical standards.
- Regulatory / Legal Track Record: History of regulatory, legal, and compliance issues.

In order to actively support good governance, the Investment Manager engages with issuers through an escalation process when issuers have a change in one or more ESG factors that may result in a reduced ESG rating. For lower rated ESG scores, the Investment Manager will also carry out further due diligence and company engagement to better underwrite the ESG factors. Engagement with management regarding ESG practices comes primarily through discussion regarding key ESG factors that the Investment Manager views as having a meaningful impact on their business / credit profile.

What is the asset allocation planned for this financial product?

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

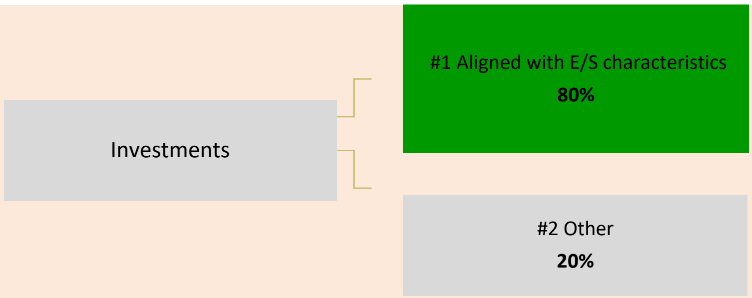
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

— **turnover** reflecting the share of revenue from green activities of investee companies

— **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

— **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas include** limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

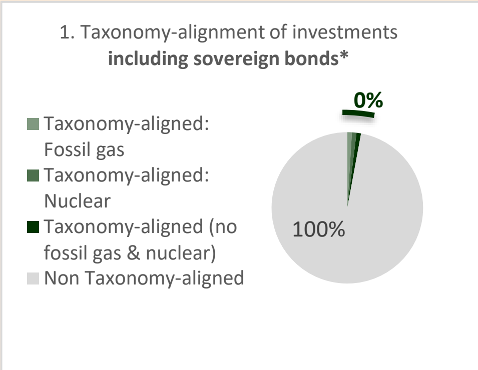
✓ **No**

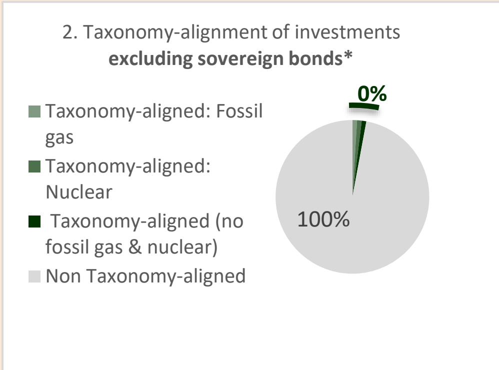
1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/326f18404c074a19/original/Article-10-Website-Disclosure-PGIF-Global-High-Yield-Fund.pdf

Supplement

for the

Origin Global Emerging Markets Fund

14 December 2023

Principal Global Investors Funds

This Supplement contains specific information in relation to the Origin Global Emerging Markets Fund (the Fund), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations**.**

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (together the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The objective of the Fund is to seek to achieve capital growth through investment in global emerging market countries.

1.2 Investment Policies

The Fund seeks to achieve its objective through investing principally in equity securities, being primarily the shares of companies, domiciled in emerging markets globally, with a typical minimum market capitalisation on purchase of $1 billion.

The Sub-Investment Manager will look to invest in companies with well managed capital that re-invest earnings into the growth of their business, have a sustainable growth trend in price and a positive market consensus on earnings revisions. The Sub-Investment Manager will identify companies for inclusion on this basis through a consideration of four clearly defined and measurable criteria; cash flow return on invested capital, discounted cash flows, profit forecasts and share price trends.

In order to consider the environmental characteristic described in section 1.3 below and with the intention of producing a more predictable future return path, the Sub-Investment Manager will also take the sensitivity of a company's cash flow returns to a change in the price of carbon into account. This is identified through recognising the charge that a government may levy per tonne of carbon emitted in that company's production process. It is intended that through identifying this trend that the Fund will be able to maintain a consistent systematic bias away from companies most sensitive to financial liabilities arising from their carbon emissions.

In jurisdictions where it would not be possible or practical for the Fund to hold the equity securities directly, it may obtain exposure through equity-related securities including American depositary receipts (ADRs) and global depositary receipts (GDRs).

The Fund may obtain exposure to Chinese equities through Hong Kong-listed "H" shares and other available depositary receipts or through direct exposure to China-A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect. The Fund may hold investments from time to time which are listed or traded in Russia on the Moscow exchange. It is not anticipated that such investments will normally constitute a substantial element of the Fund and shall not in any event exceed 10% of the net assets of the Fund.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets.

Subject to complying with the investment restrictions of the Fund, the Fund may hold ancillary liquid assets such as bank deposits.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy*" of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes an environmental characteristic as defined in the SFDR.

The environmental characteristic considered by the Fund is greenhouse gas emissions. Further information about the environmental characteristic promoted by the Fund is available in the SFDR Annex appended to this Supplement.

In order to address the environmental characteristic promoted, the Sub-Investment Manager applies binding screening criteria to the selection of underlying assets as part of its investment decision making process.

In particular, the Sub-Investment Manager utilises a bespoke metric to measure a company's sensitivity to a change in the price of carbon, as defined as the potential government levy against tonnes of CO2 emitted. The carbon emissions data used is sourced from ISS and Credit Suisse HOLT. This metric allows the Sub-Investment Manager to decile rank companies based on their exposure to the carbon risk measure. This identification of companies with an unfavourable carbon risk metric ranking is factored into the investment decision making process to enable a consistent and measurable bias away from companies with the highest rate of carbon emissions. The binding screening criteria used by the Sub-Investment Manager ensures that the Fund's portfolio exposure to companies in the bottom three deciles on the Sub-Investment Manager's carbon risk metric will be of the order of 20% below that of the Fund's Index over rolling twelve-month periods and the Fund's portfolio will have aggregate emission levels lower than the Index as measured by tonnes of carbon emitted per dollar of revenue generated. This selection criteria may not be disapplied or overridden by the Sub-Investment Manager.

The Fund will also exclude holdings where company involvement in controversial weapons is identified, as defined by the ISS Controversial Weapons Research methodology.

This screening and exclusion policy will apply across all equity securities holdings as described in the investment policy and does not specifically align itself to external guidelines or principles.

The Sub-Investment Manager is a signatory to the UN Principles for Responsible Investment (the "**UNPRI**"). As a signatory to the UNPRI the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter.

1.4 Taxonomy Disclosure

The Fund does not commit to any minimum level of Taxonomy alignment in its underlying investments; as such, 0% of the Net Asset Value of the Fund shall be invested in such investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to MSCI Emerging Markets NTR (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or Sub-Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. The Index is also used to reference relative carbon emissions performance. However, the Investment Manager and/or Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in section 1.3 above are recognised independently of the Index. Information on the methodology of the calculation of the index can be found from the index provider's website www.msci.com.

1.6 **Hedged Unit Classes**

The Fund will utilise derivative techniques and instruments for the purposes of hedging the Hedged Unit classes in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. Global exposure and leverage as a result the foregoing shall not exceed 50% of the Net Asset Value of the Fund (which will be measured using the commitment approach). The Fund shall not engage in leverage for investment purposes. The types of derivative techniques and instruments and other information which will be used in respect of the Hedged Unit classes is set out in the Prospectus under the headings General Information and Special Investment Considerations and Risks.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long term and who are prepared to accept a higher degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

3 INVESTMENT MANAGER

The Manager has appointed the Investment Manager, Principal Global Investors, LLC, as Investment Manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving six (6) months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

4 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Origin Asset Management LLP ("**Origin**"), One Carey Lane, London EC2V 8AE, UK to act as a Sub-Investment Manager to the Fund pursuant to a Sub-Investment Manager Agreement. Pursuant to this Agreement, the Investment Manager has delegated to Origin overall discretionary responsibility for the Fund's investments and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

5 RISK FACTORS

The general risk factors set out under the heading Special Investment Considerations and **Risks** of the Prospectus apply to the Fund. In addition further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

6 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

7 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing

Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

The Dealing Deadline shall, until further notice, be 10:00 a.m. Dublin time on the relevant Dealing Day.

8 CHARGES AND EXPENSES

8.1 The Sub-Investment Manager's fees are paid by the Investment Manager from its annual fee.

Units	**Minimum Initial Subscription (Relevant Class Currency)**	**Current Preliminary Charge (%)**	**Annual Management Fee (% per annum)**	**Marketing and Distribution Fee (% per annum)**	**Annual Trustee Fee (% per annum)**	**Administration on Fee (% per annum)**
A	1,000	5.00	1.70	0	Not more than 0.0220	0.15
D	1,000	5.00	0.85	0.85	Not more than 0.0220	0.15
I	2,000,000	0.00	0.85	0	Not more than 0.0220	0
F2	1,000	0.00	0.85	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.85	0.00	Not more than 0.0220	0.15

8.2 The Sub-Investment Manager, Origin, may establish and operate one or more "**Research Payment Account(s)**" in accordance with Article 13 of the Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council ("**MiFID II Delegated Directive**") as applicable. Each such Research Payment Account will be used to pay for investment research provided by brokers or other research providers selected by Origin. The Research Payment Account will be funded by a direct research charge payable by the Fund which will not be linked to the value or volume of transactions executed on behalf of the Fund. The research charge will be collected on a periodic basis alongside any brokerage commission and will be based on an annual budget for research payments which will be set and regularly reviewed by Origin in agreement with the Manager. Information on the budgeted amount for research will be made available by Origin to the Manager on an annual basis, and any increases to the estimated budget will be disclosed, in advance, by Origin to the Manager as frequent as such changes might occur. On the basis of information provided by Origin, the Fund shall disclose in each annual report the specific amount paid by it to any Research Payment Account of Origin during the relevant financial reporting period.

8.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

9 OTHER INFORMATION

9.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currency**
Base Currency	US Dollar
A Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Hong Kong Dollar
A Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
F2 Class Accumulation	Hedged: N/A Unhedged: US Dollar
F2 Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
I Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling, Swiss Franc
N Class Accumulation	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling
N Class Income	Hedged: Swiss Franc Unhedged: US Dollar, Euro, Sterling

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Origin Global Emerging Markets Fund

Legal entity identifier: 549300QK66Q2XQ42K484

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristic considered by the Fund is greenhouse gas emissions.

No reference benchmark has been designated for the purposes of attaining the above characteristic promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

For assessing a company's practice on GHG emissions, the Sub-Investment Manager uses a bespoke metric to measure the company's sensitivity to a change in the price of carbon, as defined as the potential government levy against tonnes of CO2 emitted.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 10 - Violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment
decisions based on factors such as investment
objectives and risk tolerance.

The Fund seeks to achieve its objective through investing principally in equity securities, being primarily the shares of companies, domiciled in emerging markets globally, with a typical minimum market capitalisation on purchase of $1 billion.

The Sub-Investment Manager will look to invest in companies with well managed capital that re-invest earnings into the growth of their business, have a sustainable growth trend in price and a positive market consensus on earnings revisions. The Sub-Investment Manager will identify companies for inclusion on this basis through a consideration of four clearly defined and measurable criteria; cash flow return on invested capital, discounted cash flows, profit forecasts and share price trends.

In order to consider the environmental characteristic and with the intention of producing a more predictable future return path, the Sub-Investment Manager will also take the sensitivity of a company's cash flow returns to a change in the price of carbon into account. This is identified through recognising the charge that a government may levy per tonne of carbon emitted in that company's production process. It is intended that through identifying this trend that the Fund will be able to maintain a consistent systematic bias away from companies most sensitive to financial liabilities arising from their carbon emissions.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

In order to address the environmental characteristic promoted, the Sub-Investment Manager also applies binding screening criteria to the selection of underlying assets as part of its investment decision making process.

In particular, the Sub-Investment Manager utilises a bespoke metric to measure a company's sensitivity to a change in the price of carbon, as defined as the potential government levy against tonnes of CO_2 emitted. The carbon emissions data used is sourced from ISS and Credit Suisse HOLT. This metric allows the Sub-Investment Manager to decile rank companies based on their exposure to the carbon risk measure. This identification of companies with an unfavourable carbon risk metric ranking is factored into the investment decision making process to enable a consistent and measurable bias away from companies with the highest rate of carbon emissions.

The binding screening criteria used by the Sub-Investment Manager ensures that the Fund's portfolio exposure to companies in the bottom three deciles on the Sub-Investment Manager's carbon risk metric will be of the order of 20% below that of MSCI Emerging Markets NTR, the Fund's index, over rolling twelve-month periods and the Fund's portfolio will have aggregate emission levels lower than the Index as measured by tonnes of carbon emitted per dollar of revenue generated. This selection criteria may not be disapplied or overridden by the Sub-Investment Manager.

The Fund will also exclude holdings where company involvement in controversial weapons is identified, as defined by the ISS Controversial Weapons Research methodology. This screening and exclusion policy will apply across all equity securities holdings as described in the investment policy and does not specifically align itself to external guidelines or principles.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager currently incorporates governance in the due diligence process in the form of the Credit Suisse HOLT accounting score which forms an element of capital management or quality factors that are used in the investment process. The Fund's portfolio is staff and tax compliance.

skewed towards companies with strong governance and sustainability as the investment process focuses on companies with a history of high profitability and growth. A United Nations Global Compact (UNGC) overlay has been incorporated into the portfolio, which assesses if, and to what extent, companies are linked to violations of UNGC principles. The Sub-Investment Manager employs Glass Lewis, a leading independent global advisor on governance for counsel, to enact the Sub-Investment Manager's proxy voting policy. This enables the Sub-Investment Manager to ensure that companies are held to account for poor decision making on board composition and general governance structure.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

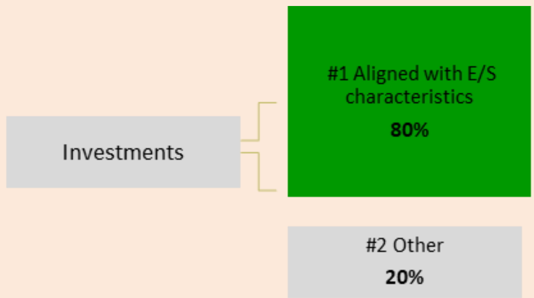
Taxonomy-aligned activities are expressed as a share of:

— **turnover** reflecting the share of revenue from green activities of investee companies

— **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

— **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. **For nuclear energy**, the criteria include comprehensive safety

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

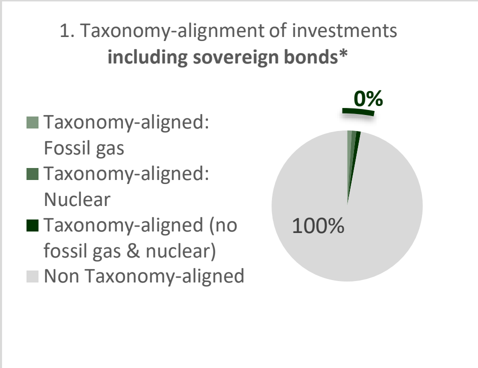
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

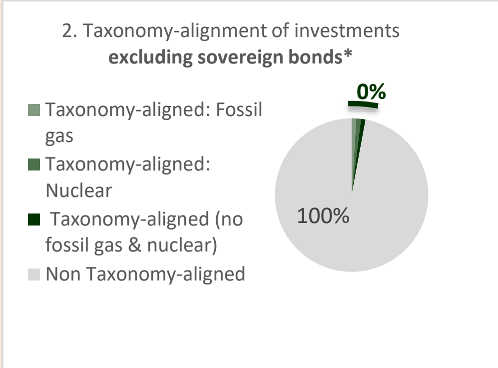
and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental characteristic of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

environmental or social characteristics that they promote.

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristic that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristic that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristic that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristic that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/348d170fca505ede/original/Article-10-Website-Disclosure-PGIF-Origin-Global-Emerging-Markets-Fund.pdf

Supplement

for the

Post Short Duration High Yield Fund

12 April 2024

Principal Global Investors Funds

This Supplement contains specific information in relation to the Post Short Duration High Yield Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall

investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross), in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such case, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees and expenses will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The Fund aims to provide a high rate of return with low volatility relative to typical high yield investments by investing in limited duration high yield securities.

1.2 Investment Policies

The Fund seeks to achieve its objective by investing primarily in a portfolio of short-term, lower volatility high yield debt securities with an average effective duration of approximately 1 – 2.5 years. These securities will generally be rated below investment grade.

The portfolio will be diversified, consisting from time to time of securities including fixed and floating rate corporate bonds, debt issued in the leveraged loan market such as bank loan assignments and participations, convertible bonds, commercial paper, private placements, such as Rule 144A securities (including Rule 144A securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchanges Commission, provided that they are eligible investments for the Fund), preferred securities, hybrids and taxable municipal bonds. The Fund may also invest in other sub-funds of the Unit Trust in order to obtain its objective.

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The Sub-Investment Manager analyses potential investee issuers identified pursuant to the foregoing process with ESG considerations which are promoted by the Fund, as further detailed below.

The Fund may also hold ancillary liquid assets such as bank deposits and short-term U.S. Treasury bonds (maturity of less than one year). However, less than 1/3 of the assets of the Fund may be held in aggregate in ancillary liquid assets or non-high yield fixed income securities.

The Fund's investments will be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus, although exposure to non-US and Canadian issuers may not exceed 25%. The Fund will not invest more than 20% in emerging markets.

The Fund seeks to add value primarily through identifying the best risk/reward opportunities among limited term securities and actively managing the portfolio for relative value. Investment ideas are generated through internal research efforts, which are supplemented by external sources.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy"* of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics considered by the Fund are carbon footprint, air and water pollution, biodiversity and waste management. The social characteristics considered by the Fund are human rights and labour standards.

The Sub-Investment Manager incorporates a proprietary ESG scorecard into their investment opportunity evaluation, which is combined with additional screening and exclusion criteria.

The Investment Manager and the Sub-Investment Manager are signatories to the UN Principles for Responsible Investment (the "**UNPRI**") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at https://www.principalam.com/eu/about-us/esg.

1.4 **Taxonomy Disclosure**

While the Fund promotes environmental characteristics, the Fund's investments do not take into account the criteria for environmentally sustainable economic activities, including enabling or transitional activities within the meaning of the Taxonomy Regulation. As such, a minimum of 0% of the Net Asset Value of the Fund shall be invested in Taxonomy-aligned investments.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. The investments underlying the remaining portion of the Fund do not take into account the criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to ICE US Treasury 1-3 Year Bond Index (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or the Sub-Investment Manager may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager and/or the Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Fund is also managed with reference to the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index as it is used as a metric against which to compare the weighted average carbon intensity for the Fund, in accordance with the aforementioned commitment to carbon intensity reduction.

The ICE US Treasury 1-3 Year Bond Index and the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index do not take environmental or social characteristics into account and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of these indices. Information on the methodology used for the calculation of the indices can be found at www.theice.com for the ICE US Treasury 1-3 Year Bond Index and is available upon request from the Sub-Investment Manager for the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index.

1.6 **Hedged Unit Classes**

The Fund will offer Units in Hedged Unit classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks** pertaining to such units.

1.7 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking a high rate of return with low volatility relative to typical high yield investments by investing in limited duration high yield securities and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 TYPES AND DESCRIPTIONS OF DERIVATIVES USED

The Fund will be leveraged through the use of derivatives. The Fund's global exposure relating to derivatives shall not exceed 50% of its Net Asset Value (measured using the commitment approach).

3.1 **Investment Purposes**

(a) The Fund may use interest rate and bond futures contracts to efficiently manage the duration, or interest rate sensitivity, of the Fund.

(b) In purchasing a futures contract, the buyer agrees to purchase a specified underlying on a specified future date. In selling a futures contract, the seller agrees to sell a specified underlying on a specified future date. The price at which the purchase and sale will take place is fixed when the buyer and seller enter into the contract. Futures not calling for physical delivery of the underlying instrument will be settled through cash payments rather than through delivery of the underlying instrument. Futures can be held until their delivery dates or can be closed out by offsetting purchases or sales of futures contracts before then if a liquid market is available. The Fund may realise a gain or loss by closing out its futures contracts.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying. Therefore, purchasing futures contracts will tend to increase the Fund's exposure to positive and negative price fluctuations in the underlying, much as if it had purchased the underlying directly. When the Fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying or the final cash settlement price, as applicable, unless the contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker, known as a futures commission merchant (FCM), when the contract is entered into. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain is entitled to receive all or a portion of this amount.

Futures prices can also diverge from the prices of their underlying, even if the underlying match the Fund's investments well. Futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded or from imposition of daily price fluctuation limits or trading halts. The Fund may purchase or sell futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in the Fund's futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

3.2 Efficient Portfolio Management

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General** Information and **Special Investment Considerations and Risks.**

The Fund will utilise derivative techniques and instruments for the Hedged Unit classes and may do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information and Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**") as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving six months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGER

The Investment Manager has, in turn, appointed Post Advisory Group, LLC ("**Post**" or the "**Sub-Investment Manager"**) to act as a sub-investment manager to the Fund pursuant to a Sub-Investment Manager Agreement. Pursuant to this Agreement, the Investment Manager has delegated to Post overall responsibility for the Fund's investments and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other. Post is regulated by the U.S. Securities and Exchanges Commission.

7 RISK FACTORS

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the use of the Asset Replication Strategy, the Emerging Markets Risks FDI and Securities Financing Transactions Risks, the Charges and Income from Capital Risk and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 Class Income Units and Income Plus Units, will be declared and paid quarterly within 30 days of the end of each calendar quarter.

Distributions on D2 Class Income Units and Income Plus Units in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 April 2024 to 5.30 p.m. on 14 October 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day on which banks are open for business in Ireland, other than Saturday or Sunday, provided that it is not a public holiday in the United States.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Manager's fees are paid by the Investment Manager from the annual fee.

Units	**Minimum Initial Subscription (Relevant Class Currency)**	**Current Preliminary Charge (%)**	**Annual Management Fee (% per annum)**	**Marketing and Distribution Fee (% per annum)**	**Annual Trustee Fee (% per annum)**	**Administration Fee (% per annum)**
A	1,000	5.00	0.95	0.00	Not more than 0.0220	0.15
A2	1,000	5.00	0.95	0.00	Not more than 0.0220	0.15
I	300,000	0.00	0.65	0.00	Not more than 0.0220	0.00
I2	200,000,000	0.00	0.45	0.00	Not more than 0.0220	0.00
D	1,000	5.00	0.65	0.60	Not more	0.15

					than 0.0220	
D2	1,000	5.00	0.65	0.60	Not more than 0.0220	0.15
F	1,000	0.00	0.65	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.65	0.00	Not more than 0.0220	0.15

10.2 For A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross), the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

10.3 In circumstances where such fees and expenses are charged to capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	**Class Currencies**
Base Currency	US Dollar
A Class Accumulation	Hedged: Euro Unhedged: US Dollar, Australian Dollar, Euro, Hong Kong Dollar, Singapore Dollar, Swiss Franc
A Class Income	Hedged: N/A

	Unhedged: US Dollar, Australian Dollar, Euro, Singapore Dollar, Swiss Franc
A2 Class Income	Hedged: N/A Unhedged: US Dollar, Australian Dollar, Euro, Hong Kong Dollar, Singapore Dollar, Sterling
D Class Accumulation	Hedged: N/A Unhedged: US Dollar
D Class Income	Hedged: N/A Unhedged: US Dollar
D2 Class Income	Hedged: N/A Unhedged: US Dollar, Australian Dollar, Hong Kong Dollar, Sterling
D2 Class Income Plus	Hedged: N/A Unhedged: US Dollar, Hong Kong Dollar
F Class Accumulation	Hedged: N/A Unhedged: US Dollar
F Class Income	Hedged: N/A Unhedged: US Dollar
I Class Accumulation	Hedged: Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc Unhedged: US Dollar, Australian Dollar, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc
I Class Income	Hedged: N/A Unhedged: US Dollar, Australian Dollar, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc
I Class Income (Gross)	Hedged: N/A Unhedged: US Dollar, Euro, Singapore Dollar
I2 Class Accumulation	Hedged: Euro, Sterling Unhedged: US Dollar, Euro, Sterling
N Class Accumulation	Hedged: Euro, Sterling Unhedged: US Dollar, Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc

N Class Income	Hedged: Euro, Sterling Unhedged: US Dollar, Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc

12 SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Post Short Duration High Yield Fund

Legal entity identifier: 549300KCO3ML8KZWYI59

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☐ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics promoted by the Fund are carbon footprint, air and water pollution, biodiversity and waste management. The social characteristics promoted by the Fund are human rights and labour standards.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators employed by the Fund are the ESG scores of each investment held by the Fund as determined using the Sub-Investment Manager's proprietary ESG Scorecard.

The Sub-Investment Manager has developed its own in-house ESG rating process based on the 'best-in-class' approach (identify potentially greater areas of ESG risks out of a potential maximum score of 100, with aggregate issuer scores lower than 40 equating to lower ESG risks and aggregate issuer scores higher than 40 equating to higher ESG risks). The ESG Scorecard ratings scale is divided into five categories to assess high level ESG risks associated with each issuer: Excellent (0-10), good (10-20), moderate risks (20-30), higher risks (30-40) and very high risks (over 40).

Sustainability performance is assessed at the relevant criteria level through the combination of the three dimensions:

- Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their water pollution and waste and energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity;

- Social dimension: these measure how an issuer operates its strategy to develop its human capital and the respect of the human rights in general and whether they operate in high-risk geographies;

- Governance dimension: This assesses the capability of each issuer to ensure the basis for an effective corporate governance framework and generate value for stakeholders over the long term.

The methodology applied uses 16 criteria that are common to all companies regardless of their activity in respect of an issuer and are expressed on the three E,S and G dimensions with a score of 20 each and the issuers considered shall have an issuer score of 12 or lower for each of the dimensions.

The Sub-Investment Manager has also implemented a fixed set of environmental and social exclusion criteria through a screening process to exclude companies or issuers from consideration for investment where more than 10% of their revenue was derived from involvement in producing conventional firearms, alcohol, adult entertainment, and thermal coal, and also excluded companies involved in the production of controversial weapons and tobacco/vaping products.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable as the Fund does not intend to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of fund holdings and third-party data against the following indicators:

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 3 - GHG intensity of investee companies
- PAI 10 – UN Global Compact Violation
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's proprietary ESG scoring methodology and as such, the indicators are reviewed at regular intervals or when newly reported information becomes available.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting disclosed in the annual report of the Fund.

☐ **No**

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to achieve its objective by investing primarily in a portfolio of short-term, lower volatility high yield debt securities with an average effective duration of approximately 1 – 2.5 years. These securities will generally be rated below investment grade. The portfolio will be diversified, consisting from time to time of securities including fixed and floating rate corporate bonds, debt issued in the leveraged loan market such as bank loan assignments and participations, convertible bonds, commercial paper, private placements, such as Rule 144A securities (including Rule 144A securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchanges Commission, provided that they are eligible investments for the Fund), preferred securities, hybrids and taxable municipal bonds. The Fund may also invest in other sub-funds of the Unit Trust in order to obtain its objective.

The Sub-Investment Manager analyses potential investee issuers identified pursuant to the foregoing process with ESG considerations which are promoted by the Fund, as further detailed below.

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager incorporates a proprietary ESG scorecard, as further described below, into their investment opportunity evaluation, which is combined with additional screening and exclusion criteria.

The ESG scorecard is used to evaluate ESG-related risk and opportunity based on a broad range of criteria spanning environmental, social and governance issues. As well as qualitative internal analysis, the Sub-Investment Manager will use third party data providers (Bloomberg, MSCI, Sustainalytics, etc) to help provide consistent data across the Fund's investment universe when making these evaluations. The Sub-Investment Manager subsequently assigns an ESG risk score out of 100, which provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

The Sub-Investment Manager uses these ESG risk scores to identify key risks and references these outcomes in investment decision making. Typically, securities that attract a score of less than 40 are considered for inclusion in the portfolio, with scores of 40 or above considered high risk and subject to more extensive qualitative analysis on underlying factors prior to being considered for investment.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy are as follows:

1. The Sub-Investment Manager assigns a proprietary ESG risk score to each instrument (excluding currency hedging instruments and cash) held by the Fund.

2. The Sub-Investment Manager will maintain a weighted average carbon intensity for the Fund that is at least 15% lower than the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index.

3. The Fund applies exclusions across the following categories and criteria:

    a. excludes issuers involved in the production of controversial weapons (as defined by the ISS Controversial Weapons Research methodology)

    b. excludes issuers involved in the production of the tobacco/vaping products (as defined by the Barclays Level 4 Sector classification).

    c. excludes issuers where more than 10% of their revenue is derived from involvement in producing:
        i. conventional firearms,
        ii. alcohol,
        iii. adult entertainment, and
        iv. thermal coal.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable as there is no committed minimum rate to reduce the scope of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, the Sub-Investment Manager will analyse the governance structure of an investee company, considering factors such as the composition of a company’s board of directors and their independence, as well as assessing its culture, behaviour, strategy and intentions of its corporate executives. The Sub-Investment Manager also engages with senior executives from these investee companies.

What is the asset allocation planned for this financial product?

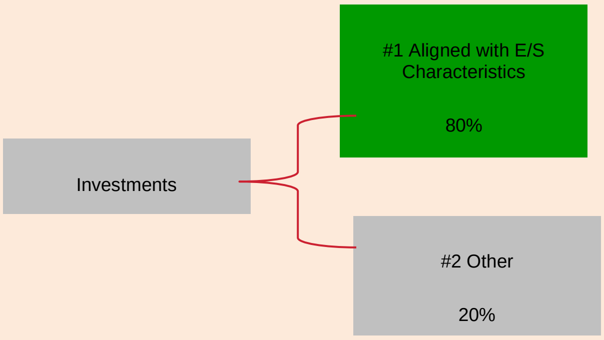
Asset allocation describes the

In accordance with the binding elements of the investment strategy 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will either be cash, cash equivalents and share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

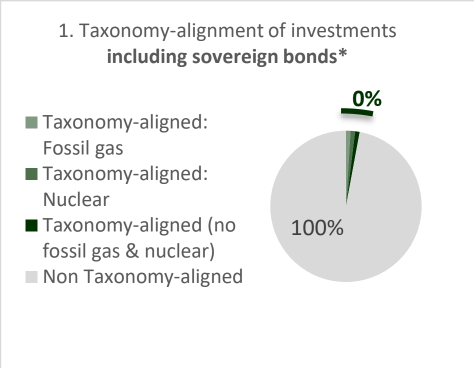
☐ In fossil gas ☐ In nuclear energy

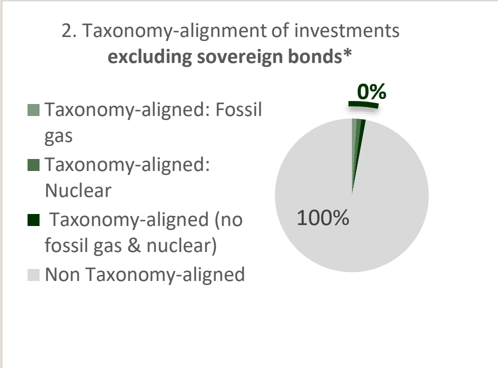
☒ **No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://brandassets.principal.com/m/78b49b772334b903/original/Article-10-Website-Disclosure-PGIF-Post-Short-Duration-High-Yield-Fund.pdf