

## **PRINCIPAL GLOBAL INVESTORS FUNDS**

**信安環球投資基金**

### **THIRD ADDENDUM**

**Important:** If you are in any doubt about the contents of this Third Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser to seek independent professional financial advice.

This Third Addendum should be read in conjunction with and forms part of the Summary Prospectus dated 13 August 2020, as amended by the First Addendum dated 21 August 2020 and Second Addendum dated 1 October 2020 (collectively the “**Summary Prospectus**”), for the Principal Global Investors Funds. All capitalised terms in this Third Addendum have the same meaning as in the Summary Prospectus, unless otherwise stated.

The Directors of the Manager of the Principal Global Investors Funds accept full responsibility for the accuracy of the information contained in this Third Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

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The Summary Prospectus will hereby be amended as follows:

#### **Asian High Yield Fund**

1. The second and third paragraphs under the sub-section titled “Investment Policies” under the section titled “Investment Objective and Policies” of Asian High Yield Fund on page 25 of the Summary Prospectus, shall be deleted and replaced by the following:

“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 will seek to achieve exposure via investment in fixed income securities listed/issued within and outside of Mainland China. Such securities are not restricted in their currency denomination and may be denominated in RMB (i.e. “Dim Sum” bonds). In addition to RMB, the above investments may also be denominated in other currencies, e.g. USD, HKD.

The Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in any one sector. However, subject to the Investment Adviser and/or the Sub-Adviser’s determination based on prevailing market conditions, less than 70% of the Net Asset Value of the Fund may from time to time be invested in 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, and listed/issued within and outside Mainland China, including but not limited to high yield fixed income securities issued by companies exercising the principal part of their business in the Mainland China property industry. Exposure to debt securities listed/issued within Mainland China, including urban investment bonds, shall be through Bond Connect to the China Interbank Bond Market. Urban investment bonds are debt instruments issued by Mainland local government financing

vehicles (“**LGFVs**”), which are separate legal entities established by local governments and / or their affiliates to raise financing for public welfare investment or infrastructure projects.”

2. The seventh paragraph under the sub-section titled “Investment Policies” under the section titled “Investment Objective and Policies” of Asian High Yield Fund on page 25 of the Summary Prospectus, shall be deleted and replaced by the following:

“The bonds in which the Fund invests may be rated below investment grade by internationally recognised credit rating agencies e.g. Standard & Poor’s, Moody’s, and Fitch, or rated BB+ or below by a Mainland local credit rating agency (in respect of debt securities issued within Mainland China), or are unrated. Not more than 10% of the Net Asset Value of the Fund may be invested in unrated bonds. For the purpose of the Fund, “unrated” debt securities are defined as debt securities which neither the debt securities themselves nor their issuers have a credit rating.”

3. The first paragraph under the section titled “Risks” of Asian High Yield Fund on page 27 of the Summary Prospectus, shall be deleted and replaced by the following:

“The general risk factors set out under the section headed “Special Investment Considerations and Risks” apply to the Fund. Please see, in particular, the “Specific risks related to investments in emerging markets”, “PRC-Specific Risks” and “Investing through Bond Connect” sections.”

4. The following shall be added under the section titled “Risks” of Asian High Yield Fund on page 27 of the Summary Prospectus:

“Risks associated with Mainland China credit rating agencies

The credit appraisal system and rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.

#### Urban investment bonds

Urban investment bonds are issued by LGFVs, and are typically not guaranteed by local governments or the central government of Mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Fund could suffer substantial loss and the Net Asset Value of the Fund could be adversely affected.”

5. The risk factor titled “Specific risks relating to below investment grade or unrated securities” under the section titled “**SPECIAL INVESTMENT CONSIDERATIONS AND RISKS**” on page 36 of the Summary Prospectus, shall be deleted and replaced by the following:

**“Specific risks relating to debt securities rated below investment grade by an internationally recognised credit agency or rated BB+ or below by a Mainland credit rating agency or unrated”**

A Fund may invest in debt securities rated below investment grade by an internationally recognised credit agency, or rated BB+ or below by a Mainland credit rating agency, or unrated. Investment in such securities are speculative, and are generally subject to lower liquidity, higher volatility, greater risk of loss of principal and interest, and involve a greater

risk of default and price changes, due to changes in the issuer's credit worthiness than high-rated debt securities. The market prices of such securities therefore fluctuate more than investment grade securities and may decline significantly in periods of greater economic difficulty."

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If you have any queries on the above, please contact our Hong Kong Representative by calling the customer hotline at (852) 2117-8383.

**Principal Global Investors (Ireland) Limited**

20 November 2020