

02 November 2018

## PRINCIPAL GLOBAL INVESTORS FUNDS

信安環球投資基金

### FIRST ADDENDUM

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

This First Addendum should be read in conjunction with and forms part of the Summary Prospectus dated 26 March 2018 (collectively the “**Summary Prospectus**”) for the Principal Global Investors Funds. All capitalised terms in this First 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 First 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:

#### High Yield Fund

1. The first paragraph under the sub-section titled “Investment Policies” under the section titled “Investment Objective and Policies” of High Yield Fund on page 12 of the Summary Prospectus, shall be deleted and replaced by the following:

“The Fund seeks to achieve its overall objective by investing the majority (i.e. over 50%) 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 securities that fall under Rule 144A of the United States Securities Act of 1933 (as amended) (“**Rule 144A securities**”) (i.e. Rule 144A securities issued with an undertaking to register with the U.S. Securities and Exchanges Commission (“**SEC**”) within one year of issue<sup>1</sup> and Rule 144A securities which have not been issued with an undertaking to register them with the SEC within

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<sup>1</sup> provided they are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

one year of issue<sup>2</sup>. The balance of the Fund will be invested in public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds globally.”

2. The first paragraph under the section titled “Risks” of High Yield Fund on page 12 of the Summary Prospectus, shall be deleted and replaced by the following:

“Investment in the Fund involves a certain degree of risk related to investing primarily in fixed income securities which will generally be graded below investment grade. Please see, in particular, the “Specific risks relating to investments in fixed income securities” section, “Specific risks relating to below investment grade securities” section and “Restricted Securities” section.”

### **Special Investment Considerations and Risks**

3. The following shall be added as a new risk factor after the existing risk factor “Market Capitalisation Risk” under the sub-section titled “Other risks” under the section titled “SPECIAL INVESTMENT CONSIDERATIONS AND RISKS” on page 22 of the Summary Prospectus:

#### *“Restricted Securities*

A Fund may invest in securities purchased in private placements or pursuant to U.S. Securities Act Rule 144A (if available) and subject to the investment restrictions set out under the section headed “Investment Restrictions” of this Summary 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 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 a Fund will be able to dispose of such securities readily.”

4. The last paragraph of the risk factor “Liquidity Risk and Liquidity Risk Management” under the sub-section titled “Other risks” under the section titled “SPECIAL INVESTMENT CONSIDERATIONS AND RISKS” on page 24 of the Summary Prospectus shall be deleted in its entirety and replaced with the following:

“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 following tools to manage the Funds’ liquidity risk:–

- Redemption Restrictions – To ensure the Funds are sufficiently liquid to meet redemption requests, the Manager may implement measures to limit the total number of Units of a particular Fund redeemed on any Dealing Day to Units representing 10% of the Net Asset Value of the relevant Fund. Refer to the information in the “Redemptions / Withdrawals of

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<sup>2</sup> provided that they are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State (and which in each case is an over-the-counter market regulated by Financial Industry Regulatory Authority Inc. listed in sub-section (iii) of Appendix A of the Hong Kong Summary Prospectus).

Units” sub-section of “Dealing Procedures” section for details. Further, the Manager may at its discretion, require up to 4 days’ notice of each redemption request in respect of A Class, I Class, D Class, D2 Class and F Class Units where such request (or series of requests from the one Unitholder) would result in the payment of an amount to that Unitholder which would in aggregate represent more than 5% of the Net Asset Value of the relevant Fund.

- Redemption in Specie – To ensure the Funds are sufficiently liquid to meet redemption requests, with the prior consent of Unitholder, the Manager may make an in specie distribution of investments to a Unitholder whose redemption request represents 5% or more of the Net Asset Value of a Fund. Refer to the information in the “Redemptions / Withdrawals of Units” sub-section of “Dealing Procedures” section for details.
- Temporary Suspension of Redemption of Units – The Manager may, with the approval of the Trustee, temporarily suspend the redemption of Units when the disposal of a Fund’s investments cannot be effected normally or would be seriously prejudicial to the interests of the relevant Unitholders. Refer to the information in the “Redemptions / Withdrawals of Units” sub-section of “Dealing Procedures” section for details.
- Anti-Dilution Levy – To ensure all investors in the Funds are treated equitably, the Manager may apply an anti-dilution levy in relation to redemptions of Units. Refer to the information in the “Anti-Dilution Levy” sub-section of “Dealing Procedures” section for details.”

### **Miscellaneous Updates**

5. All page references in the Summary Prospectus shall be deleted.

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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**

02 November 2018