

Principal Global Investors (Ireland) Limited  
Kildress House  
Pembroke Row  
D02  
H008  
Ireland

**The board of directors of Principal Global Investors (Ireland) Limited (the “Board”), in its capacity as the Manager of the European Equity Fund, a sub-fund of Principal Global Investors Fund, accept full responsibility for the accuracy of the information contained in this notice 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.**

**This notice is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent financial adviser. If you have sold or transferred all of your Units please pass this notice at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.**

**This notice has not been reviewed by the Central Bank of Ireland (the “Central Bank”) and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The Board is of the opinion that there is nothing contained in this notice or in the proposals detailed herein that conflicts with the applicable regulations or guidance issued by the Central Bank.**

**Unless otherwise indicated, capitalised terms in this notice shall have the same meaning as described in the current dated prospectus for the Trust and the supplement for the Fund as relevant (together the “Prospectus”).**

Date: December 2025

Dear Unitholder

**Principal Global Investors (Ireland) Limited (the “Manager”)  
Principal Global Investors Funds (the “Trust”)  
European Equity Fund (the “Fund”)**

We are writing to you as a Holder in the Fund to inform you of certain proposed changes to the Fund which will be reflected in the revised supplement for the Fund (the “**Supplement**”) that is expected to be noted by the Central Bank on or around 19 January 2026 (changes being effected on this “**Effective Date**”).

This notice summarises the proposed changes to the Supplement and Holders are encouraged to refer to the Prospectus and the Supplement for further details.

## **1. Updates to the Fund’s Investment Policy**

By way of background, the Fund’s previous lead portfolio manager retired in 2024. As part of the transition of the Fund to the new portfolio managers, the Fund’s established processes were refined and strengthened and these processes varied from the approach described in the Fund’s Supplement. As a result, the Fund’s investment policy is now being updated to reflect the processes currently being implemented which are described in more detail below.

In order to achieve the Fund’s investment objective, the Investment Manager employs a fundamental research process which seeks to focus on identifying and investing in companies where future free

cash flow growth is underestimated by the market. A future free cash flow focused discipline allows for open-minded assessment of opportunities ranging from aggressive growth to deep value. This philosophy requires scrutiny of growth opportunities to assess free cash flow generation and also demands an understanding of valuation by identifying arbitrage opportunities arising from differences in growth expectations. The Investment Manager analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the sustainability considerations. In order to meet the environmental characteristic promoted (described in more detail below), the Investment Manager integrates sustainability considerations as part of the fundamental research process, and screens out thermal coal producers and companies excluded by the Manager's Exclusions Policy. The Investment Manager also uses third-party data to monitor the Fund's weighted average carbon intensity (scope 1 and 2).

The evaluation of sustainability considerations is embedded within the fundamental research conducted by the Investment Manager's analysts, as they are best placed to determine the importance of such considerations in relation to a specific company or industry. The analysts have discretion to focus on the considerations and concerns that are most important and impactful to forward free cash flow, earnings, sentiment, and relative valuation within their area of coverage, which may include material environmental, social and/or governance considerations.

Please note that Principal Global Investors (Europe) Limited, which was appointed to act as the Fund's sub-investment manager by the Investment Manager, is no longer involved in the management of the Fund.

## **2. Updates related to the disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

Please note that it is intended to amend the environmental and social characteristics promoted by the Fund so that, going forward, the Fund will only promote one environmental characteristic – the reduction of greenhouse (GHG) emissions. As a result, the SFDR Annex will be updated to reflect this change and also include information on the processes implemented to promote this characteristic, including changes to the binding criteria used and the consideration of PAI indicators, which are summarized below in more detail.

The Investment Manager uses the following indicators to measure the attainment of the characteristic promoted by the Fund:

For assessing the reduction of GHG emissions, the Investment Manager considers the Fund's weighted average carbon intensity (scope 1 and 2) using third party data, relative to MSCI Europe NTR (the "**Index**")

In particular, the Investment Manager will assess a company's carbon exposure during the stock selection process. This assessment process enforces an exclusionary criteria of screening out thermal coal producers. The assessment ensures that the Fund has a carbon exposure which is at least 5% lower than the Index. Thereafter, on an ongoing basis, the Investment Manager will also use third party data to monitor the Fund's carbon risk score relative to Index to maintain this minimum 5% threshold.

The Investment Manager considers the following principal adverse indicators on sustainability factors:

- PAI 3 - GHG intensity of investee companies;
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; and
- PAI 14 - Exposure to controversial weapons.

The principal adverse indicators on sustainability factors are considered by excluding investment in companies involved in these activities, using pre-trade controls, in line with the Manager's Exclusion Policy.

The Fund's binding elements of the investment strategy of the Fund are as follows:

- The Investment Manager will maintain a weighted average carbon intensity (scope 1 and 2) which is at least 5% lower than the Index.
- The Fund excludes thermal coal producers from the Fund's holdings as defined by GICS Industry Sector classification.
- The Fund excludes issuers that manufacture controversial weapons as follows:

- a) issuers that have any ties to the conversation weapons – whether the issuer is involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapons systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons, or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products; and
  - b) issuers that produce nuclear warheads, missiles, and delivery platforms capable of deploying nuclear weapons.
- The Fund excludes issuers that manufacture conventional weapons as follows:
    - a) issuers that produce automatic firearms intended for civilian markets; and
    - b) issuers that produce semi-automatic firearms intended for civilian markets.
  - The Fund excludes issuers involved in major controversies, in terms of corporate governance or environmental and social responsibility, with no adequate remediation efforts based on the following assessment:
    - a) whether the issuer is aligned with the UNGC principles (based on MSCI ESG Research methodology);
    - b) whether the issuer is aligned with the OECD Guidelines for Multinational Enterprises Alignment (based on MSCI ESG Research methodology); and
    - c) whether the issuer's overall assessment signals whether the issuer has a notable controversy related to the issuer's operations and / or products, and the severity of the social or environmental impact of the controversy.

In terms of the Fund's policy to assess good governance practices to investee companies, and integral to the Investment Manager's fundamental research approach, is identifying companies with sustainable competitive advantages, strong management teams and that exhibit financial strength. When evaluating a company, the Investment Manager focuses on a number of governance facets including shareholder rights (voting structure), board composition and independence, product and pricing, as well as management incentives. These elements are tied to the sustainability of company fundamentals and valuation. Furthermore, the Investment Manager screens for and avoids companies that have been identified as violating UNGC principles.

Finally, the planned asset allocation for the Fund and in accordance with the binding elements of the investment strategy, is 80% of investments made will be aligned to the environmental characteristic promoted, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the environmental characteristic promoted by the Fund.

It is expected that these changes will take effect on or around the Effective Date, subject to the approval of the Central Bank.

For the avoidance of doubt, the changes (as mentioned above) are not considered to be material and the Directors believe that they are in the best interests of the Holders of the Fund.

We thank you for your continuing support for the Fund.

Yours sincerely



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Director, for and on behalf of,  
**Principal Global Investors (Ireland) Limited**