

This Notice is important and requires your immediate attention. If you are in any doubt about the contents of this Notice or the action to be taken, you should seek independent professional advice.

Principal Global Investors (Ireland) Limited (the “Manager”) accepts responsibility for the information contained in this Notice as being accurate at the date of publication. Unless otherwise defined in this Notice, capitalised terms used in this Notice shall have the same meaning as those used in the Hong Kong Summary Prospectus dated 16 December 2021 (the “Hong Kong Summary Prospectus”).

UNITHOLDER NOTICE

16 December 2021

Principal Global Investors Funds (the "Trust") - Preferred Securities Fund (the “Fund”)

Dear Unitholder

We are writing to notify you, as a unitholder of the Fund, of the below updates to the Fund, which will take effect on the date of this notice. These amendments were subject to the approval of the Central Bank and do not require unitholder approval.

Enhancement of disclosures on the investment process of Preferred Securities Fund to align with Article 8 requirements under the 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 (“SFDR”)

The key investment focus of the Fund is to invest primarily in a portfolio of US dollar denominated preferred securities and debt securities through security selection, including credit analysis, and investment process which involves in depth proprietary research, and strategic and disciplined portfolio construction to provide a return consisting of income consistent with capital preservation.

Whilst the foregoing will continue to be the key investment focus of the Fund, the disclosures on the investment process of the Fund will be elaborated within the scope of the above investment objective and policy to align with Article 8 requirements under the SFDR and accordingly reflect the environmental and social characteristics promoted by the Fund, and how such characteristics are met.

The environmental characteristics considered by the Fund include, but are not limited to: greenhouse gas emissions and renewable sources of power. The social characteristics considered by the Fund include, but are not limited to: health and safety and product safety. In order to address the foregoing characteristics promoted, the Fund will incorporate the following:

- a) the Adviser’s proprietary analysis of sustainability risk levels, supported with further third party data and opinions, to identify key risks and reference these outcomes in investment decision making;
- b) exclusion of thermal coal producers from the Fund as defined by GICS Industry Sector classification;
- c) a further set of fixed exclusion criteria to the Fund to specifically exclude tobacco producers, casino and gaming providers, and controversial chemicals / minerals / weapon producers from consideration for investment.

In addition, the disclosures will be enhanced to specify that the Adviser will evaluate the corporate governance of investee companies. Such assessment may include analysis of factors such as 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. The foregoing is also supported by analysis of company financials and other disclosures, meetings with company management, third-party research, and industry conferences.

For the avoidance of doubt, whilst the Fund will promote the above ESG characteristics via the foregoing enhancement to its investment process, such characteristics will not be the key investment focus of the Fund. The key investment focus of the Fund will remain unchanged, i.e. investment in US dollar denominated preferred securities and debt securities through security selection (including credit analysis), in depth proprietary research, and strategic and disciplined portfolio construction. There is also no change to the investment objective or policy of the Fund. In this connection, the Manager considers that:

- the elaboration on the Fund's investment process as set out herein does not amount to a material change to the Fund;
- there will be no material change or increase in the overall risk profile of the Fund following such elaboration; and
- such elaboration does not have a material adverse impact on unitholders' rights or interests (and does not limit unitholders' ability in exercising their rights).

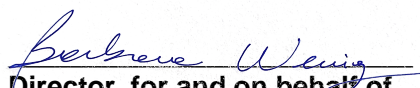
The Hong Kong Summary Prospectus will be updated in due course to reflect the above updates. Unitholders may obtain a copy of the updated Hong Kong Offering Document detailing all changes made thereto free of charge from:

Principal Investment & Retirement Services Limited
30/F Millennium City 6
392 Kwun Tong Road
Kwun Tong
Kowloon
www.principal.com.hk¹

If you have any questions relating to the above, please contact the contact the customer hotline of Principal Investment & Retirement Services Limited, the Hong Kong Representative, at (852) 2117-8383, 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, or visit our website at www.principal.com.hk².

Many thanks for your continued support.

Yours faithfully


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

¹ This website has not been reviewed by the SFC.

² This website has not been reviewed by the SFC.