Principal Global Investors Funds (PGIF)

Global Property Securities Fund ["the Fund"]

Website disclosure pursuant to Article 10 of the EU Sustainable Finance Disclosure Regulation

a) Summary

The Fund takes into account environmental and social characteristics deemed material and relevant by the Investment Manager for evaluating the sustainability credentials and risks of a listed Real Estate Investment Trust ("REIT") or non-REIT real estate company.

The environmental characteristics considered by the Fund include, but are not limited to:

- Reduction of greenhouse gas ("GHG") emissions
- Water conservation
- Increasing usage of renewable energy sources.

The social characteristics considered by the Fund include, but are not limited to:

- 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.

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 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.

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.

The Sub-Investment Manager is responsible for implementing the investment strategy, to ensure that the environmental and/or social characteristics are met throughout the lifecycle of the Fund. The Sub-Investment Manager uses third party data to review and update their internal ESG processes and methodologies on an ongoing basis, with a regularity of at least once a quarter. Any changes or updates will be considered as part of the investment decision making process.

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 investment team within the Sub-Investment Manager assigns its own proprietary ESG rating. Data is sourced to produce this rating and promote the environmental and social characteristics comes from the following:

- Primary research which includes company management discussions through engagement, asset inspections, the study of company filings and company issued sustainability reports.
- Third party data providers from organizations such as GRESB, MSCI, and others. Data and research reports from MSCI and GRESB are helpful in the study of ESG controversies, climate change metrics, and principal adverse impact ("PAI") indicators.
- ESG research from sell-side research firms is utilized but in a limited fashion consistent with the Investment Manager's overall research efforts.

The Sub-Investment Manager has adopted the Investment Manager's overall framework to guide its engagement with companies, which includes a commitment to engage and collaborate with the companies in which the Sub-Investment Manager invests to encourage responsible ESG practices, greater transparency and disclosure, and appropriate management of ESG risks.

b) No sustainable investment objective

This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

c) Environmental or social characteristics of the financial product

The environmental characteristics considered by the Fund include, but are not limited to:

- Reduction of greenhouse gas ("GHG") emissions
- Water conservation
- Increasing usage of renewable energy sources.

The social characteristics considered by the Fund include, but are not limited to:

- 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.

d) Investment strategy

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 Investment Manager performs a fundamental style of investing that is characterized by quality, with an emphasis on owning companies at average or below average relative valuations (i.e., 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.

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.

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.

e) Proportion of investments

The Fund's asset allocation will be as follows:

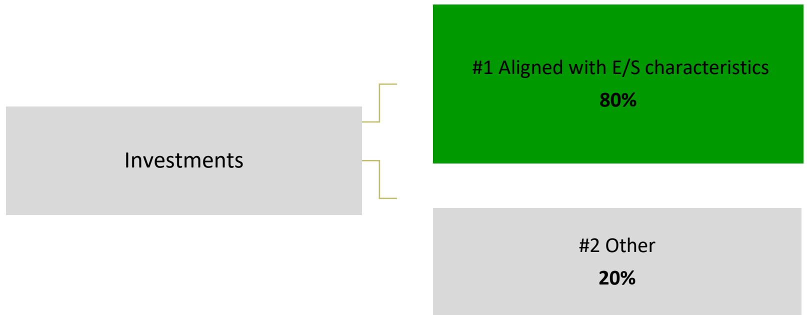
In accordance with the binding elements of the investment strategy, 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.

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 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.



f) Monitoring of environmental or social characteristics

The Sub-Investment Manager is responsible for implementing the investment strategy, to ensure that the environmental and/or social characteristics are met throughout the lifecycle of the Fund. The Sub-Investment Manager uses third party data to review and update their internal ESG processes and methodologies on an ongoing basis, with a regularity of at least once a quarter. Any changes or updates will be considered as part of the investment decision making process.

The Manager's compliance and risk function will monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.

Monitoring of exclusions are automated and monitored on a pre and post trade basis to prevent and detect investments that would not be compliant with the investment strategy.

g) Methodologies

The Sub-Investment Manager uses 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.

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.

h) Data sources and processing

The investment team within the Sub-Investment Manager assigns its own proprietary ESG rating. Data is sourced to produce this rating and promote the environmental and social characteristics comes from the following:

- Primary research which includes company management discussions through engagement, asset inspections, the study of company filings and company issued sustainability reports.
- Third party data providers from organizations such as GRESB, MSCI, and others. Data and research reports from MSCI and GRESB are helpful in the study of ESG controversies, climate change metrics, and principal adverse impact ("PAI") indicators.
- ESG research from sell-side research firms is utilized but in a limited fashion consistent with the Investment Manager's overall research efforts.

Data sourced directly from companies (reports, presentations, verbal discussions, etc.) is presumed to be accurate and of high quality and is typically processed directly by analysts within the Sub-Investment Manager during the fundamental research stage of its investment process and documented through its proprietary ESG rating.

Data sourced from MSCI ESG Research, GRESB and other vendors is subject to be overridden by the covering analyst within the Sub-Investment Manager where more accurate and/or more recent information is known to be available. Data deficiencies will be reported back to the vendor.

Where relevant data is not available, it is estimated on a best-efforts basis. The Sub-Investment Manager seeks only to use estimated data when it has confidence that it is a reasonable representation of actual data.

i) Limitations to methodologies and data

One of the key limitations impacting the methodogies and data is the reliance on third party data providers and the availability and quality of ESG related data. Such data is not yet systematically disclosed by underlying investee companies and may be estimated by data providers or remain unavailable, and when disclosed may follow various methodologies.

In order to overcome these limitations, the Sub-Investment Manager's analysts supplement the data with qualitative assessments based on company and industry research and/or alternative data sources. The analysts also engage with the companies directly to try to obtain required ESG information if they are not provided by the current ESG data sources.

The Sub-Investment Manager reviews the internal ESG methodology on an ongoing basis to ensure the data and calculations are effective and up to date and monitors the investments against the binding criteria in order to attain each of the environmental or social characteristics promoted by the Fund.

j) Due diligence

Due diligence research responsibilities are organised by region and property type. All analysts and local portfolio managers within the Sub-Investment Manager have assigned company coverage.

The Sub-Investment Manager conducts extensive fundamental research through management meetings, asset inspections, the study of financial statements, and regulatory filings. This involves meeting with company management teams. Property visits provide the analyst in the Sub-Investment Manager with a deeper perspective on key issues affecting a company, quality of properties owned by the company and a thorough understanding of management's business plans, ESG considerations, and company goals.

The Sub-Investment Manager uses its qualitative analysis to assist in validating ESG data and the overall scores which indicate whether a holding has environmental or social characteristics as outlined in the Fund's supplement. In addition, the Sub-Investment Manager conducts due diligence on the underlying investee companies as part of the investment process. This process assesses the investee companies and rules out investments where it can be reasonably assumed that they severely violated generally accepted global norms in their business practices and conduct.

The Manager also conducts due diligence on the Sub-Investment Manager on an ongoing basis to ensure that processes and procedures are being followed appropriately and in accordance with the Fund supplement.

k) Engagement policies

The Sub-Investment Manager has adopted the Investment Manager's overall framework to guide its engagement with companies, which includes a commitment to engage and collaborate with the companies in which the Sub-Investment Manager invests to encourage responsible ESG practices, greater transparency and disclosure, and appropriate management of ESG risks. The Sub-Investment Manager also proactively seeks out ESG information as it formulates its investment thesis on a company and keep records of its relevant engagement activities. On-going monitoring of investee companies is a key element of this process, and this is facilitated by ongoing communication with the management of companies that it invests in on behalf of its clients.

The Sub-Investment Manager's sector expertise enhances engagement efforts as company executives are generally more likely to respond to constructive dialogue deriving from a deep knowledge of their business and respect for the challenges they face. Establishing these relationships requires regular discussions over the course of many years. Companies are also more likely to provide access to top management if they believe the conversation will be mutually beneficial. Analysts typically engage via regular discussions with companies following earnings results, conferences, property tours, or dedicated meetings for ESG topics.

As the integration of ESG considerations is embedded within the fundamental research conducted by the Sub-Investment Manager's analysts, analysts have discretion to focus on the ESG considerations and concerns they feel are most important and impactful to sustainable earnings and relative valuation of a company. Engagement activities are expected to evolve over time with a changing ESG landscape and client priorities with respect to environmental and social issues. Currently, the following engagement priorities have been established:

- Environmental- Net zero target setting (scopes 1 & 2)
- Environmental- 3rd-party verification of net zero targets
- Environmental- Scope 3 reporting
- Social- Diversity and inclusion
- Social- Modern slavery/forced labor
- Governance- ESG accountability and oversight
- Governance- ESG compensation and alignment

Where the Sub-Investment Manager has actively engaged with companies on ESG issues, it is expected that the company is able to demonstrate a change in behavior to correct that issue. Analysts have regular contact with companies throughout the year, which is the primary way outcomes of engagement efforts are monitored. Additionally, progress can be observed through official company communications, such as announcements and results. Outcomes can also be monitored via improvement in third party ESG research and scoring data.

If the analyst is satisfied with the company's efforts to improve, the analyst's proprietary ESG score, overall Quality Score, and/or investment thesis may be positively impacted to reflect any meaningful change. Similarly, if the analyst deems the company has not demonstrated sufficient change after engaging with them, escalation may occur in the form of a negative change to the proprietary ESG score, overall Quality Score, investment thesis, trimming or divesting of a position, and/or a proxy vote against management.

ESG company engagements are formally tracked within an application. The framework defines the types of engagement activities:

1. Fact finding engagements: defined as interactions with company management where E, S and G issues are discussed.
2. Initial and follow-up material engagements: defined as interactions with company management where the primary purpose of the interaction is to discuss of E, S and G issues and feedback is provided.
3. Engagement outcomes: defined as tangible positive changes or insufficient changes to a company's E, S and/or G policies or practices following an engagement.

l) Designated reference benchmark

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.

Definitions:

- The “Manager” shall mean Principal Global Investors (Ireland) Limited
- The “Investment Manager” shall mean Principal Global Investors, LLC
- The “Sub-Investment Manager” shall mean Principal Global Investors (Europe) Limited
- “prospectus” shall mean the Funds’ prospectus.
- “supplement” shall mean, in the context of any one sub-fund, the relevant Fund supplement.
- “ESG” shall mean environmental, social and governance.
- “Sustainable Finance Disclosure Regulation (SFDR)” shall mean 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.

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Important information:

This document is intended for institutional, professional or retail investor use only in permitted jurisdictions as defined by local laws and regulations. It is intended for information purposes only. It is not an offer or a solicitation to anyone to subscribe for units in the Fund. It should not be construed as investment advice.