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

a) Summary

The environmental characteristics considered by the Fund are energy intensity and carbon emissions. The social characteristics considered by the Fund are labour standards and employee welfare.

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager incorporates a proprietary ESG scoring system, as further described below, into their investment decision making, which is combined with additional screening and exclusion criteria.

The ESG scoring methodology is used to evaluate ESG-related risk and opportunity based on a predetermined framework of environmental, social and governance metrics and attributes. This includes both numerical metrics, such as carbon emissions or employee turnover, and binary metrics that indicate whether a firm engages in (or does not engage in) practices conducive to promotion of characteristics considered by the Fund, for example the presence (or lack thereof) of health & safety policies.

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, and to highlight the importance of good governance practices, the Sub-Investment Manager assigns the highest category weight within its ESG scoring methodology to governance-related factors, broadly categorised as board composition, accounting credibility, transparency and shareholder-related. Amongst these, the Sub-Investment Manager has identified board integrity issues, accounting investigations and instances of securities fraud as significant factors that can lead to the automatic exclusion of a particular company or issuer.

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

1. *Carbon intensity* – The Fund will maintain a weighted average carbon intensity that is 10% below that of the Index, utilising Carbon Emissions - Scope 1+2 Intensity (t/USD million sales) data.

2. *UN Global Compact violations* - The Fund will maintain a lower aggregate weight of investee companies involved in violations of the UN Global Compact as compared to the ICE BofAML Asian Dollar High Yield Index, utilising Global Compact Compliance data.

3. *Fossil fuel production* - The Fund will have a maximum exposure of 10% to companies with revenues of 30% or more from the production and consumption of thermal coal, oil and gas.

4. *Green Finance* - The Fund will have a minimum exposure to 10% of companies involved in sustainable financing and/or that utilise bond proceeds to fund sustainability-focused projects, or that have been issued by companies in the green sector, as defined by the Sub-Investment Manager.

5. A set of fixed environmental and social exclusion criteria is in place to exclude companies or issuers from consideration for investment where:

    a. more than 10% of their revenue is derived from production, distribution, or services to nuclear power plants.

b. involved in the production of cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragment weapons.

c. either own or are involved in the distribution, licensing, sale or supply of tobacco.

The Fund's asset allocation will be as follows:

70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% 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.

Data is sourced from key vendors, such as MSCI Inc. ("MSCI") and Bloomberg L.P. ("Bloomberg"), and subjected through internal calculations which involve both human interface and in-house automation. The data is monitored and reviewed by the Sub-Investment Manager's research analysts using multiple sources and through interactions with the company. Data governance also goes through both manual and automated checks to ensure the data is reliable and complete.

The Sub-Investment Manager employs an internal methodology that runs all investee companies in the investment universe, through a best-in-class model designed to quantify ESG characteristics. The calculations are refreshed quarterly to optimise exposure to updated data, while universe-level and portfolio-level aggregations are tracked monthly. The Sub-Investment Manager uses a "report card" methodology that computes critical ESG fields such as GHG emissions on a weighted average basis applied to both the universe level and the portfolio level.

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.

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 are energy intensity and carbon emissions. The social characteristics considered by the Fund are labour standards and employee welfare.

d) Investment strategy

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager incorporates a proprietary ESG scoring system, as further described below, into their investment decision making, which is combined with additional screening and exclusion criteria.

The ESG scoring methodology is used to evaluate ESG-related risk and opportunity based on a predetermined framework of environmental, social and governance metrics and attributes. This includes both numerical metrics,

such as carbon emissions or employee turnover, and binary metrics that indicate whether a firm engages in (or does not engage in) practices conducive to promotion of characteristics considered by the Fund, for example the presence (or lack thereof) of health & safety policies.

The scoring system is weighted to issues most relevant to a specific sector, for example the energy sector would have a stronger focus on environmental considerations, or the technology sector would have a greater focus on social considerations. The methodology systematically translates these metrics to quantifiable scores to ascertain an ESG profile for each issuer considered for inclusion in the portfolio, as well as the overall sector. The scoring is enriched with qualitative assessments made by the Sub-Investment Manager, utilising case studies, publicly available information, company visits and assessment reports.

From these scores, the Sub-Investment Manager considers the quartile rankings for each sector and selects securities from the top two quartiles.

The Sub-Investment Manager also applies screening to specifically consider carbon intensity and United Nations Global Compact ("UN Global Compact") violations. The Sub-Investment Manager uses Scope 1 & 2 carbon emissions data to identify the carbon intensity rating for investee companies and aims for a weighted average carbon intensity for the Fund that is 10% lower than the ICE BofAML Asian Dollar High Yield (the "Index"). The Sub-Investment Manager also aims for an aggregate weight of investee companies involved in violations of the UN Global Compact for the Fund that is lower that of the Index, measured using UN Global Compact compliance data.

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, and to highlight the importance of good governance practices, the Sub-Investment Manager assigns the highest category weight within its ESG scoring methodology to governance-related factors, broadly categorised as board composition, accounting credibility, transparency and shareholder-related. Amongst these, the Sub-Investment Manager has identified board integrity issues, accounting investigations and instances of securities fraud as significant factors that can lead to the automatic exclusion of a particular company or issuer.

This analysis is further enriched with the Sub-Investment Manager's corporate governance overlay, providing a complementary assessment to build conviction around quantitative findings on financial metrics (the ability to pay), and enhancing this with qualitative analysis required to assess an issuers willingness to pay.

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

1. *Carbon intensity* – The Fund will maintain a weighted average carbon intensity that is 10% below that of the Index, utilising Carbon Emissions - Scope 1+2 Intensity (t/USD million sales) data.

2. *UN Global Compact violations* - The Fund will maintain a lower aggregate weight of investee companies involved in violations of the UN Global Compact as compared to the ICE BofAML Asian Dollar High Yield Index, utilising Global Compact Compliance data.

3. *Fossil fuel production* - The Fund will have a maximum exposure of 10% to companies with revenues of 30% or more from the production and consumption of thermal coal, oil and gas.

4. *Green Finance* - The Fund will have a minimum exposure to 10% of companies involved in sustainable financing and/or that utilise bond proceeds to fund sustainability-focused projects, or that have been issued by companies in the green sector, as defined by the Sub-Investment Manager.

5. A set of fixed environmental and social exclusion criteria is in place to exclude companies or issuers from consideration for investment where:

    a. more than 10% of their revenue is derived from production, distribution, or services to nuclear power plants.

    b. involved in the production of cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragment weapons.

c. either own or are involved in the distribution, licensing, sale or supply of tobacco.

e) Proportion of investments

The Fund's asset allocation will be as follows:

70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% 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 "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.

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.
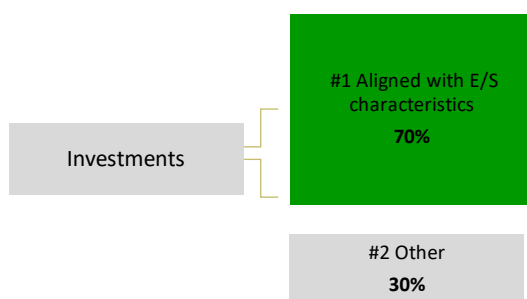
f) Monitoring of environmental or social characteristics

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 employs an internal methodology that runs all investee companies in the investment universe, through a best-in-class model designed to quantify ESG characteristics. The calculations are refreshed quarterly to optimise exposure to updated data, while universe-level and portfolio-level aggregations are tracked monthly. The Sub-Investment Manager uses a "report card" methodology that computes critical ESG fields such as GHG emissions on a weighted average basis applied to both the universe level and the portfolio level.

Each issuer invested in the strategy is assigned an ESG score based on the Sub-Investment Manager's internal methodology. In particular, the ESG scoring methodology is used to evaluate ESG-related risk and opportunity based on a predetermined framework of environmental, social and governance metrics and attributes. This includes both numerical metrics, such as carbon emissions or employee turnover, and binary metrics that indicate whether a firm engages in (or does not engage in) practices conducive to promotion of characteristics considered by the Fund, for example the presence (or lack thereof) of health & safety policies.

The scoring system is weighted to issues most relevant to a specific sector, for example the energy sector would have a stronger focus on environmental considerations, or the technology sector would have a greater focus on social considerations. The methodology systematically translates these metrics to quantifiable scores to ascertain an ESG profile for each issuer considered for inclusion in the portfolio, as well as the overall sector. The scoring is enriched with qualitative assessments made by the Sub-Investment Manager, utilising case studies, publicly available information, company visits and assessment reports.

As part of the ESG methodology, each company is tagged to a specific sector based on its main business activity. The manager then assesses key ESG data points focused on the sector or industry specific issues spread across environmental and social categories. The weights of each sector specific factor vary depending on the significance and time horizon impact of the risk or opportunity and some of the factors are unique to certain sectors.

The Sub-Investment Manager considers principal adverse impacts on sustainability factors by combining internal analysis of the Fund's holdings and third-party data against the following indicators.

- PAI 1 - GHG emissions
- PAI 2 - Carbon footprint
- PAI 13 - Board gender diversity
- PAI 14 - Exposure to controversial weapons

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's 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

Data is sourced from key vendors, such as MSCI Inc. ("MSCI") and Bloomberg L.P. ("Bloomberg"), and subjected through internal calculations which involve both human interface and in-house automation. The data is monitored and reviewed by the Sub-Investment Manager's research analysts using multiple sources and through interactions with the company. Data governance also goes through both manual and automated checks to ensure the data is reliable and complete.

The research analysts also engage with companies directly to try to obtain required ESG information if they are not provided by the Sub-Investment Manager's current ESG data sources. Companies that do not disclose the required ESG information will be penalised and score lower under the Sub-Investment Manager's methodology.

i) Limitations to methodologies and data

One of the key limitations to methodogies and data is the reliance on third party data providers as the internal, data-driven methodology systematically codifies the assessment of third party ESG data. In addition, observed data in the methodology is largely limited to the data obtained from data providers as there may be matters that are not effectively captured by the data, such as current events or idiosyncratic controversies.

In order to overcome these limitations, the Sub-Investment Manager evaluates the quality and relevance of data from multiple data providers prior to inclusion within the Sub Adviser's internal ESG methodology. The research analysts may also engage with the companies directly to try to obtain required ESG information if they are not

provided by the Sub-Investment Manager's current ESG data sources. Companies that do not disclose the required ESG information will be penalised and score lower under the Sub-Investment Manager's internal ESG methodology which considers the quartile rankings for each sector and selects securities from the top two quartiles.

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

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. The Sub-Investment Manager holds a monthly ESG meeting to discuss the ESG scores and outputs of the methodology as well as a quarterly meeting focused on refreshing the latest data to generate updated ESG scores. In addition, 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 on-going basis to ensure that processes and procedures are being followed appropriately and in accordance with the Fund supplement.

k) Engagement policies

Engagement with management for fixed income investors regarding ESG practices comes primarily through discussion with management regarding key ESG factors that the Sub-Investment Manager views as having a meaningful impact on their business / credit profile.

The Sub-Investment Manager uses engagement as a tool to enrich the internal ESG methodology with qualitative assessments, where required, if ESG data is unavailable from third party data providers. The Sub-Investment Manager maintains a dedicated record of any company engagements and tracks all output obtained from those engagements. Materials and information obtained during engagement may be used to support the Sub-Investment Manager's qualitative research and understanding of issuers relative to the Sub-Investment Manager's internal ESG methodology.

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 Investor (Singapore) Limited, an affiliate of Principal Global Investors, LLC.
- "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.