Principal Global Investors Funds (PGIF)

Finisterre VAG Unconstrained EM Fixed Income Fund and

Finisterre Unconstrained EM Fixed Income Fund [“the Fund”]

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

a) Summary

The Fund promotes greenhouse gas (“GHG”) emissions, employee welfare and citizen welfare across emerging market countries.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund.

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

1. A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment. The Fund will exclude holdings as identified by MSCI data:
    a. where issuers generate at least 5% of their revenue from
        i. tobacco production
        ii. adult entertainment.
    b. Derive any revenue from having any involvement in the manufacturing or trade controversial weapons.
2. Screening criteria is applied as part of its investment decision making process (both prior to investment and ongoing review of the Fund’s holdings) . The Fund implements and monitors the criteria using MSCI data.
    a. The Fund will not invest in corporate issuers which exhibit any of the below features, unless cleared for investment by the investment adviser’s ESG committee:
        i. GHG Emissions: corporate issuers with a 30% revenue threshold in thermal or fossil fuel electricity generation or coal or other controversial fuel production;
        ii. Employee Welfare: corporate issuers with significant United Nations Global Compact ("UNGC") violations in respect of the ten UNGC principles guiding corporate behaviour in the areas of human rights, labour rights, environment and corruption i.e., rated by MSCI as having either a 0 / “Fail” or 1 / “Severe” ESG controversy score in terms of degree of severity, how structural the issue is to the business and its current status (concluded or ongoing). Companies that have cases rated with low scores either fail the UNGC principles

or are put on a watch-list where the case is still ongoing and may still evolve positively or negatively;

iii. Citizen Welfare: corporate issuers with a 5% revenue threshold in conventional weapons.

b. The Fund will not invest in sovereign issuers which exhibit any of the below features, unless cleared by the Sub-Investment Manager's ESG committee:

i. GHG Emissions: are in the global top 10% of greenhouse gas emissions in kg/$GDP; and

ii. Citizen Welfare: sovereign issuers with a greater than 10% rating downgrade relating to MSCI ESG scoring on a rolling 12-month basis.

In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will either be cash, cash equivalents, derivatives and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.be cash, cash equivalents, and hedging instruments which do not affect the promoted environmental and / or social characteristics of 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 Manager employs the systematic use of MSCI ESG scores at the issuer and portfolio levels, as well as formal documentation of engagements with issuers and ESG-focused portfolio actions.

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 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons

The Sub-Investment Manager's ESG committee meets regularly, typically every two months, to match the investment process review schedule. It may also meet on an ad-hoc basis to review certain names on an emergency basis if needed. The role of the committee is two-fold:

- Evaluate the status of certain issuers with regards to ESG controversies flagged by the Sub-Investment Manager's alerts framework and decide on their maintenance or potential exclusion as eligible portfolio investments.

- Once every two months, after the conclusion of the Sub-Investment Manager's investment committee, to discuss certain potential portfolio trades, switches or permutations with the sole objective to enhance the portfolio's ESG footprint, as per the MSCI ESG methodology.

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 Fund promotes greenhouse gas ("GHG") emissions, employee welfare and citizen welfare across emerging market countries.

No reference benchmark has been designated for the purposes of attaining the above characteristics promoted by the Fund.

d) Investment strategy

The Sub-Investment Manager analyses potential issuers identified pursuant to the foregoing process by reference to the ESG considerations which are promoted by the Fund.

The Sub-Investment Manager identifies and addresses governance considerations through evaluation of the status of certain issuers with regards to ESG controversies/deterioration flagged by periodic ESG monitoring and decides on their maintenance or potential exclusion as eligible portfolio investments as a result.

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

3. A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment. The Fund will exclude holdings as identified by MSCI data:
    a. where issuers generate at least 5% of their revenue from
        i. tobacco production
        ii. adult entertainment.
    b. Derive any revenue from having any involvement in the manufacturing or trade controversial weapons.

4. Screening criteria is applied as part of its investment decision making process (both prior to investment and ongoing review of the Fund's holdings) . The Fund implements and monitors the criteria using MSCI data.

    a. The Fund will not invest in corporate issuers which exhibit any of the below features, unless cleared for investment by the investment adviser's ESG committee:
        iv. GHG Emissions: corporate issuers with a 30% revenue threshold in thermal or fossil fuel electricity generation or coal or other controversial fuel production;
        v. Employee Welfare: corporate issuers with significant United Nations Global Compact ("UNGC") violations in respect of the ten UNGC principles guiding corporate behaviour in the areas of human rights, labour rights, environment and corruption i.e., rated by MSCI as having either a 0 / "Fail" or 1 / "Severe" ESG controversy score in terms of degree of severity, how structural the issue is to the business and its current status (concluded or ongoing). Companies that have cases rated with low scores either fail the UNGC principles or are put on a watch-list where the case is still ongoing and may still evolve positively or negatively;
        vi. Citizen Welfare: corporate issuers with a 5% revenue threshold in conventional weapons.

    b. The Fund will not invest in sovereign issuers which exhibit any of the below features, unless cleared by the Sub-Investment Manager's ESG committee:
        iii. GHG Emissions: are in the global top 10% of greenhouse gas emissions in kg/$GDP; and
        iv. Citizen Welfare: sovereign issuers with a greater than 10% rating downgrade relating to MSCI ESG scoring on a rolling 12-month basis.

This selection criteria may not be disapplied or overridden by the Sub-Investment Manager. Issuers identified according to the above screening criteria are then subject to the Sub-Investment Manager's ESG committee-based qualitative review process. The review, which may not be disapplied or overridden by the Sub-Investment Manager, is triggered as soon as the above thresholds are reached or exceeded and aims to assess the merits of investment in, maintenance or exclusion of particular holdings through focussing on the qualitative details of the MSCI ESG assessment report, supplemented by any specific complementary and research analysis by the analyst in charge of issuer. The review will, amongst other things, include an assessment on the Sub-Investment Manager's ability to engage with issuer(s) and the probable outcomes of doing so, as well as the resultant impact on the aforementioned ESG characteristics promoted by the Fund and of maintaining or divesting such holdings.

e) Proportion of investments

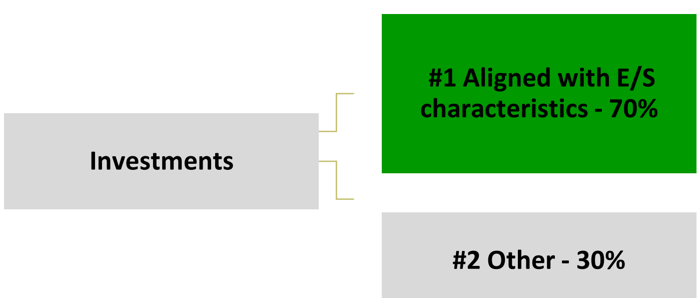
In accordance with the binding elements of the investment strategy, 70% of investments made will be aligned to the E/S characteristics, whilst the remaining 30% will either be cash, cash equivalents, derivatives and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.be cash, cash equivalents, and hedging instruments which do not affect the promoted environmental and / or social characteristics of 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 characteristics, 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.

The Sub-Investment Manager uploads its portfolios on a regular basis into the MSCI ESG system and extracts monthly portfolio ESG assessments. Each report includes an overall ESG rating, broken down into its key ESG components, the details of the best and most problematic names as well as an assessment of improvers and deteriorating issuers. The assessment also calculates a carbon footprint (in Tons of Co2/ 1m USD managed) and provides an assessment of key controversies affecting portfolio holdings.

The portfolio assessment is used as a starting point for the Sub-Investment Manager’s bi-monthly ESG committee, where potential switches and trades are discussed, with the aim of improving the portfolio ESG score.

g) Methodologies

Each investment is scored from an Environmental, Social, and Governance perspective and that assessment is integrated into the overall investment recommendation for the sovereign or corporate issuer. The Sub-Investment Manager uses the MSCI ESG scores as the starting point for the assessment, which is then overlayed with qualitative review by the Sub-Investment Manager’s analysts.

The Sub-Investment Manager does not rely solely on third party data or ranking of securities as it does not believe that such data is always up to date and accurate, and so it will analyse a security, why it was triggered by the screening process, and will consider whether it will ultimately contribute to the promotion of the environmental and social characteristics.

The investment process applies a minimum sustainability threshold to all investments. The governance around this minimum sustainability threshold is a blend between blanket exclusion policies and the systematic review by a specific ESG committee of issuers which fail to meet certain eligibility thresholds, either based on the existence of key controversies, or because of engagement in questionable businesses.

The Sub-Investment Manager's review aims to assess the merits of investment in, maintenance or exclusion of particular holdings through focusing on the qualitative details of the MSCI ESG assessment report which is supplemented by any specific complementary research and analysis by the analyst in charge of the issuer and also involves potential engagement with issuers to seek clarification or to put in place action plans on specific matters.

As such, the Sub-Investment Manager may include or maintain investments which fall within the set thresholds in the Fund's portfolio where the ESG committee is satisfied following its review that the identified controversies are outdated, the MSCI analysis arguments in respect of such controversies are overstated or misplaced, the reality or relevance of the controversies is not clearly established, or such investments are on a path to improvement or resolution of the identified issues or controversies, which will then be subject to ongoing review and monitoring in order to track and evaluate progress in respect of same.

Investments may be excluded from the Fund's portfolio where there is no ability for the Sub-Investment Manager to engage with the issuer, where the ESG committee determines that the probable outcome of engaging with the issuer will not likely result in any improvement or resolution of the identified issues or controversies, or where following engagement a response is not received or perceived to be inadequate and it is determined by the ESG committee to have a negative resultant impact on the ESG characteristics promoted by the Fund.

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 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

- 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.

Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting to be disclosed in the annual report for the Fund.

h) Data sources and processing

The Sub-Investment Manager employs the systematic use of MSCI ESG scores at the issuer and portfolio levels, as well as formal documentation of engagements with issuers and ESG-focused portfolio actions.

The Sub-Investment Manager includes the MSCI ESG scoring methodology for corporate and sovereign issuers in its research reports, which includes an absolute score, an evolutive score and an assessment of ongoing ESG controversies.

The MSCI ESG score is taken into account in the investment process and reviewed for material movements, whilst the individual E / S / G pillar scores are included and analysed in the internal research notes produced by the Sub-Investment Manager's analysts.

The Sub-Investment Manager has also onboarded the MSCI ESG Portfolio scoring methodology as it aligns well with the Sub-Investment Manager's philosophy of combining both absolute and relative assessments of its portfolios. On top of being able to evaluate the existing state of ESG issues, the Sub-Investment Manager believes that the right approach to emerging market ("EM") issuers, is to reward behavioural improvement and potentially penalise negative evolutions.

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 issuers and may be estimated by data providers or remain unavailable, and when disclosed may follow various methodologies.

The current ESG disclosure and data availability for EM sovereign issuers may often fail to meet the depth found in developed markets, hence the need in many cases to proceed with ad-hoc reviews to finalise the Sub-Investment Manager's views.

In order to overcome these limitations, the Sub-Investment Manager does not rely solely on third party data or ranking of securities as it does not believe that such data is always up to date and accurate, and therefore supplements the data analysis with qualitative assessments from the Sub-Investment Manager's analysts and during the ESG committee reviews.

The analysts also engage with the issuers 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

The Sub-Investment Manager's ESG committee meets regularly, typically every two months, to match the investment process review schedule. It may also meet on an ad-hoc basis to review certain names on an emergency basis if needed. The role of the committee is two-fold:

- Evaluate the status of certain issuers with regards to ESG controversies flagged by the Sub-Investment Manager's alerts framework and decide on their maintenance or potential exclusion as eligible portfolio investments.

- Once every two months, after the conclusion of the Sub-Investment Manager's investment committee, to discuss certain potential portfolio trades, switches or permutations with the sole objective to enhance the portfolio's ESG footprint, as per the MSCI ESG methodology.

Any issuer whose ESG score has decreased by 10% or more over 12-months must be reviewed by the Sub-Investment Manager's ESG Committee.

As a supplement to the Sub-Investment Manager's qualitative and quantitative ESG analysis, it implements a systematic review of EM issuers exhibiting a "very severe" or "severe" controversy score as per the MSCI scoring system. This review is performed by the Sub-Investment Manager's ESG committee and aims at assessing the merits of maintenance or exclusion of a given issuer, based on potential prospects for improvement or resolutions of those controversies. This process may involve direct engagement with certain issuers to seek clarification on specific matters.

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

The Sub-Investment Manager believes that global emerging markets are critical in the fight for a reduction in greenhouse gas emissions, improvements in employee welfare and citizen welfare and the promotion of fair and transparent governance, due to the associated corruption, discrimination, social instability and key challenges concerning the respect of human rights and equal opportunities in such countries. Emerging market governments and companies have been slower to adopt ESG targets and policies than their counterparts in developed markets, where investors, customers and regulators have exerted influence. As such, the Sub-Investment Manager believes that it can make the biggest impact through engagement and interaction with governments and corporations from those countries, in order to try to improve and have a positive impact on their practices and behaviours with regards to global ESG challenges, rather than simply excluding them from the Fund's investments on the basis of absolute criteria acting as arbitrary thresholds.

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 and,
- “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.

Publication Date: 14 December 2023

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.