

Principal boosts sustainability offering with launch of new Global Sustainable Food and Biodiversity Fund

10 July 2024 (London): Principal Asset Management today announced the launch of the Global Sustainable Food and Biodiversity Fund, bolstering the firm’s commitment to providing sustainable and thematic products that meet the demands of the market. This new fund is to be classified as an Article 9 fund under the Sustainable Finance Disclosure Regulation.¹

Aimed at both institutional and retail investors globally, the Fund was borne out of clear, material interest for the strategy across markets. Using fundamental research and a proprietary, award-winning² Sustainable Development Goals (SDGs) alignment tool, companies the Fund invests in will align to target SDGs, including ‘Zero Hunger’, ‘Good Health & Wellbeing’, ‘Clean Water & Sanitization’ and ‘Responsible Consumption & Production’.³ In addition, approximately 80% of the Fund’s portfolio holdings are investments in companies that seek to target biodiversity impact through their solutions or business policies.

With the world’s population set to reach 10 billion by 2050, approximately 56% more food will be required to sustain the growth.⁴ As such, the demand for sustainable food and biodiversity is growing, with a proliferation of technology within agriculture leading to an acceleration of investment potential while lowering the environmental impact of our food system.

Martin Slipsager Frandsen, Global Equities Portfolio Manager, Principal Asset Management, said: “We are excited to bring the Global Sustainable Food and Biodiversity Fund to clients across the globe. We believe sustainable food production is the most credible path to improving biodiversity. With agriculture remaining the most biodiversity-exposed sector, it holds the greatest potential for impact and we believe current demand for biodiversity will lead to great investment opportunities.”

“We launched the strategy two years ago and have been previewing with potential investors during that time frame. We are excited to be able to meet the needs of those investors who require a registered fund vehicle,” continued Frandsen.

The Fund will seek to provide capital growth through investments in companies committed to sustainable agriculture and food security. It targets food and agriculture related investments in various sectors, specifically in companies emphasizing nutrition and agricultural/environmental operating efficiency.

The launch marks a continuation of broader efforts to offer SDG-aligned and thematic products for clients. The Principal Global Responsible Equity Fund, a UCITs strategy, will reach its three-year track record later this month, exhibiting strong performance against the benchmark.

¹ Fund currently pending registration across various international jurisdictions. Refer to PrincipalAM.com for current local registrations

²<https://s3-ap-southeast-1.amazonaws.com/i.aa.ievent.hk/upload/aa/files/Awards/2024%20Best%20of%20the%20Best%20Awards%20-%20Winners%20List.pdf>

³ Introduced by the United Nations, SDGs are an urgent, universal call to action to help end poverty, improve health and education, reduce inequality, and spur economic growth

⁴ <https://www.hdi.global/infocenter/insights/2021/future-of-food/>

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About Principal Asset ManagementSM

With public and private market capabilities across all asset classes, Principal Asset Management and its investment specialists look at asset management through a different lens, creating solutions to help deliver client investment objectives. By applying local insights with global perspectives, Principal Asset Management identifies distinct and compelling investment opportunities for more than 1,100 institutional clients in over 80 markets.¹ Principal Asset Management is the global investment solutions business for Principal Financial Group[®] (Nasdaq: PFG), managing \$554.4 billion in assets² and recognized as a "Best Places to Work in Money Management"³ for 12 consecutive years.

[1] [2] As of March 31, 2024

[3] Pensions & Investments, "The Best Places to Work in Money Management", among companies with 1,000 or more employees, December 12 2023.

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