

## Website disclosure for the EU Sustainable Finance Disclosure Regulation (SFDR)

### Principal Global Investors Funds Global High Yield Fund [“the Fund”]

#### Status under the EU Sustainable Finance Disclosure Regulation (SFDR)

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics, as further described below.

#### Description of the environmental and social characteristics of the Fund

Among other characteristics, the Fund promotes environmental and social characteristics as defined in the SFDR. The environmental characteristics considered by the Fund include, but are not limited to: toxic and carbon emissions, material sourcing and land use, product waste and water stress. The social characteristics considered by the Fund include, but are not limited to: health and safety, nutrition, product and chemical safety and quality and workforce and community management.

In order to meet the environmental and social characteristics promoted, the Investment Adviser incorporates internally generated ESG scores to the selection of underlying assets as part of its investment decision making process for the Fund. ESG scores are assigned to each instrument covered and incorporated into each instrument’s overall assessment.

The Investment Adviser uses a proprietary ESG scoring model to assess current holdings and potential investments on a forward looking basis. This proprietary methodology draws on a range of data sources to provide a consistent framework across the universe of issuers, incorporating frequent rating updates. It also has the ability to identify companies in transition to better ESG scores. This proprietary methodology is combined with rigorous fundamental research and the Investment Adviser subsequently screens investments incorporating the environmental and social characteristics described. As a result of this analysis, the lowest scoring ESG issuers are excluded from consideration for investment, and these exclusions can be applied at both an issuer and sector level. All holdings incorporate this commitment to environmental and social characteristics, with the exception of currency hedging instruments and cash.

A further set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment where their revenue is significantly derived from products that are considered unsuitable for the Fund for example, cluster munitions, anti-personnel mines, nuclear weapons outside of the Treaty on the Non-Proliferation of Nuclear Weapons, biological weapons or chemical weapons.

The companies in which investments are made follow good governance practices and the Investment Adviser invests in companies based on an evaluation of the board structure, management and business ethics. In order to actively support good governance, the Investment Adviser engages with issuers through an escalation process when issuers have a change in one or more ESG factors that may result in a reduced ESG rating. For lower rated ESG scores, the Investment Adviser will also carry out further due diligence and company engagement to better underwrite the ESG factors. Engagement with management regarding ESG practices comes primarily through discussion regarding key ESG factors that the Investment Adviser views as having a meaningful impact on their business / credit profile.

The Investment Adviser is a signatory to the UN Principles for Responsible Investment (the “UNPRI”) since 2010. As a signatory to the UNPRI the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. PRI responsible investing reporting can be found at <https://www.principalglobal.com/eu/about-us/responsible-investing>

The Fund is actively managed with reference to ICE BofA Merrill Lynch Global High Yield USD Hedged (the “Index”) on the basis that the Fund seeks to outperform the Index. The Index does not take environmental or social characteristics into account. Information on the methodology of the calculation of the index can be found from the index provider’s website [www.theice.com](http://www.theice.com)

## Periodic reports

A description of the extent to which environmental and social characteristics are met will be available as part of the Fund's annual report and accounts which will be published on this website once available. The Fund's most recent annual report and accounts does not include any information pursuant to SFDR.

## Important Information:

Definitions:

- The "Manager" shall mean Principal Global Investors (Ireland) Limited
- The "Investment Advisor" shall mean Principal Global Investors, LLC and any sub-adviser appointed by Principal Global Investors, LLC
- "prospectus" shall mean the Funds' prospectus and, in the context of any one sub-fund, the relevant supplement (s) thereto.
- Unless otherwise indicated, defined terms in this form have the same meaning as in the prospectus.

Principal Global Investors (Ireland) Limited is regulated by the Central Bank of Ireland

Full details of the risks associated with investing in the Fund are detailed in the Fund Prospectus, Supplement and Key Investor Information Document ("KIID"). These documents are available on our website at [principalglobal.com](http://principalglobal.com) and you are advised to read them before investing so you can make an informed decision about whether to invest. This document 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. There is no guarantee that the investment objective of the Fund will be achieved.

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