Principal Asset Management℠

Principal Global Investors Funds (PGIF)

Post Short Duration High Yield Fund [“the Fund”]

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

a) Summary

The environmental characteristics considered by the Fund are carbon footprint, air and water pollution, biodiversity and waste management. The social characteristics considered by the Fund are human rights and labour standards.

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

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

The ESG scorecard is used to evaluate ESG-related risk and opportunity based on a broad range of criteria spanning environmental, social and governance issues. As well as qualitative internal analysis, the Sub-Investment Manager will use third party data providers (Bloomberg, MSCI, Sustainalytics, etc) to help provide consistent data across the Fund’s investment universe when making these evaluations. The Sub-Investment Manager subsequently assigns an ESG risk score out of 100, which provides important context to the risk level and informs the Sub-Investment Manager’s tolerance for that risk.

The Sub-Investment Manager uses these ESG risk scores to identify key risks and references these outcomes in investment decision making. Typically, securities that attract a score of less than 40 are considered for inclusion in the portfolio, with scores of 40 or above considered high risk and subject to more extensive qualitative analysis on underlying factors prior to being considered for investment.

The binding elements of the investment strategy are as follows:

1. The Sub-Investment Manager assigns a proprietary ESG risk score to each instrument (excluding currency hedging instruments and cash) held by the Fund.

2. The Sub-Investment Manager will maintain a weighted average carbon intensity for the Fund that is at least 15% lower than the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index.

3. The Fund applies exclusions across the following categories and criteria:

    a. excludes issuers involved in the production of controversial weapons (as defined by the ISS Controversial Weapons Research methodology)

    b. excludes issuers involved in the production of the tobacco/vaping products (as defined by the Barclays Level 4 Sector classification).

    c. excludes issuers where more than 10% of their revenue is derived from involvement in producing:

i. conventional firearms,
ii. alcohol,
iii. adult entertainment, and
iv. thermal coal.

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 either 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 Manager 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 10 – UN Global Compact Violation
- PAI 14 - Exposure to controversial weapons

The Sub-Investment Manager uses a variety of data sources including Bloomberg, MSCI and Sustainalytics, as well as standard company disclosure documents, to assess each investment individually. The Sub-Investment Manager believes that the company-reported data is generally of highest quality since it is often subject to audit, while third-party data providers offer more qualitative assessments or help flag relevant controversies that go into their scoring of the company's ESG performance. Data is processed via due diligence efforts at the analyst and portfolio manager level, and some of the data is estimated as a function of a lack of uniformly reported data.

The Sub-Investment Manager's policy on engagement is based on the belief that engagement is an important means of driving improvements in ESG-related considerations. Direct engagement is key to both the research process and throughout the life of an investment. When ESG issues are identified, engagement is a powerful tool to drive improvement in ESG practices that can yield both an economic and societal benefit. They can also lead to lower costs of borrowing and increase the price of the underlying bonds and loans, which may in turn help drive investment performance.

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 carbon footprint, air and water pollution, biodiversity and waste management. The social characteristics considered by the Fund are human rights and labour standards.

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 investee issuers identified pursuant to the foregoing process with ESG considerations which are promoted by the Fund, as further detailed below.

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

The ESG scorecard is used to evaluate ESG-related risk and opportunity based on a broad range of criteria spanning environmental, social and governance issues. As well as qualitative internal analysis, the Sub-Investment Manager will use third party data providers (Bloomberg, MSCI, Sustainalytics, etc) to help provide consistent data across the Fund's investment universe when making these evaluations. The Sub-Investment Manager subsequently assigns an ESG risk score out of 100, which provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

The Sub-Investment Manager uses these ESG risk scores to identify key risks and references these outcomes in investment decision making. Typically, securities that attract a score of less than 40 are considered for inclusion in the portfolio, with scores of 40 or above considered high risk and subject to more extensive qualitative analysis on underlying factors prior to being considered for investment.

The Sub-Investment Manager identifies governance considerations as integral to the investment philosophy and process. In order to ensure good governance, the Sub-Investment Manager will analyse the governance structure of an investee company, considering factors such as the composition of a company's board of directors and their independence, as well as assessing its culture, behaviour, strategy and intentions of its corporate executives. The Sub-Investment Manager also engages with senior executives from these investee companies.

The binding elements of the investment strategy are as follows:

4. The Sub-Investment Manager assigns a proprietary ESG risk score to each instrument (excluding currency hedging instruments and cash) held by the Fund.

5. The Sub-Investment Manager will maintain a weighted average carbon intensity for the Fund that is at least 15% lower than the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index.

6. The Fund applies exclusions across the following categories and criteria:

    a. excludes issuers involved in the production of controversial weapons (as defined by the ISS Controversial Weapons Research methodology)

    b. excludes issuers involved in the production of the tobacco/vaping products (as defined by the Barclays Level 4 Sector classification).

    c. excludes issuers where more than 10% of their revenue is derived from involvement in producing:
        i. conventional firearms,
        ii. alcohol,
        iii. adult entertainment, and
        iv. thermal coal.

e) Proportion of investments

The Fund’s asset allocation will be as follows:

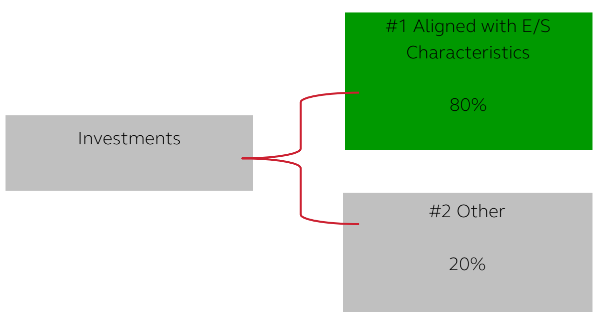
In accordance with the binding elements of the investment strategy 80% of investments made will be aligned to the E/S characteristics, whilst the remaining 20% will either be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted 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 sustainability indicators employed by the Fund are the ESG scores of each investment held by the Fund as determined using the Sub-Investment Manager's proprietary ESG Scorecard.

The Sub-Investment Manager has developed its own in-house ESG rating process based on the 'best-in-class' approach (identify potentially greater areas of ESG risks out of a potential maximum score of 100, with aggregate issuer scores lower than 40 equating to lower ESG risks and aggregate issuer scores higher than 40 equating to higher ESG risks). The ESG Scorecard ratings scale is divided into five categories to assess high level ESG risks associated with each issuer: Excellent (0-10), good (10-20), moderate risks (20-30), higher risks (30-40) and very high risks (over 40).

Sustainability performance is assessed at the relevant criteria level through the combination of the three dimensions:

- Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their water pollution and waste and energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity;
- Social dimension: these measure how an issuer operates its strategy to develop its human capital and the respect of the human rights in general and whether they operate in high-risk geographies;
- Governance dimension: This assesses the capability of each issuer to ensure the basis for an effective corporate governance framework and generate value for stakeholders over the long term.

The methodology applied uses 16 criteria that are common to all companies regardless of their activity in respect of an issuer and are expressed on the three E,S and G dimensions with a score of 20 each and the issuers considered shall have an issuer score of 12 or lower for each of the dimensions.

The Sub-Investment Manager 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 10 – UN Global Compact Violation
- 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

The Sub-Investment Manager uses a variety of data sources including Bloomberg, MSCI and Sustainalytics, as well as standard company disclosure documents, to assess each investment individually. The Sub-Investment Manager believes that the company-reported data is generally of highest quality since it is often subject to audit, while third-party data providers offer more qualitative assessments or help flag relevant controversies that go into their scoring of the company's ESG performance. Data is processed via due diligence efforts at the analyst and portfolio manager level, and some of the data is estimated as a function of a lack of uniformly reported data.

These data include a range of metrics, including but not limited to carbon dioxide emissions, energy consumption, waste production, women and minority inclusion in the workforce, and board composition. These metrics are incorporated into the overall evaluation of the investee company's ESG score that the Sub-Investment Manager uses in its internal models.

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.

For example, quantitative data, such as carbon emissions, remains subject to a high degree of estimation, largely because there is a limited amount provided at the investee company level. The Sub-Investment Manager expects public companies to continually improve with reported emissions data, but the quality of data for private issuers (of which there are many in the sub-investment grade corporate credit investment universe) is limited and remains subject to estimation.

In order to overcome these data 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 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

Portfolio managers and analysts within the Sub-Investment Manager are responsible for integrating ESG analysis and considerations in the bottom-up fundamental research process, and they use several criteria in making their determinations. In analysing credits, analysts look not only at current ESG considerations but also try to anticipate future considerations, including those arising from environmental, social, and governance issues. The investment team within the Sub-Investment Manager attempt to quantify any such issues, so that they are able to understand its credit risk on a measurable basis and to ensure the balance sheet and cash flows are sufficient to handle these risks before they invest. If they identify potentially large liabilities that they are unable to quantify, they will not invest in that company. Conversely, analysts might identify environmental or social issues that contribute to a company's competitive advantage, making it a more attractive investment.

A critical part of the Sub-Investment Manager's investment analysis includes utilising its proprietary Value Scoring Model. The Value Scoring Model is a 100-point system that includes quantitative and qualitative factors, including industry attractiveness, environmental risk, and management quality. The Value Scoring Model explicitly includes ESG factors in order to ensure the analyst team are methodically and systematically considering ESG issues in the underwriting process.

The Manager 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 Fund supplement.

k) Engagement policies

The Sub-Investment Manager's policy on engagement is based on the belief that engagement is an important means of driving improvements in ESG-related considerations. Direct engagement is key to both the research process and throughout the life of an investment. When ESG issues are identified, engagement is a powerful tool to drive improvement in ESG practices that can yield both an economic and societal benefit. They can also lead to lower costs of borrowing and increase the price of the underlying bonds and loans, which may in turn help drive investment performance.

At times during the research process (which involves extensive diligence including discussions with the investee company, its customers, its competitors, and other stakeholders), the Sub-Investment Manager concludes that it should engage with an issuer within the portfolio. The topics of these engagements vary and are specific to the Sub-Investment Manager's own internal assessments of an issuer's ESG deficiencies, such as a more balanced approach to managing the company's governance, transparency, and / or sustainability considerations such as net zero targets and compliance with ESG-related disclosure requirements.

The Sub-Investment Manager's efforts do not focus on seeking change based on "themes" or particular topics of consideration, but is driven by internal analysis along with third-party tools to determine where the Sub-Investment Manager might engage most effectively

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 Post Advisory Group, LLC, 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.