

Supplement
for the
Global Property Securities Fund
14 December 2023
Principal Global Investors Funds

This Supplement contains specific information in relation to the Global Property Securities Fund (the "**Fund**"), a Fund of Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 14 December 2023 (the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.

Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2, D2 and Income Plus Unit classes and the Unit classes denoted as (Gross), in each case in order to preserve cash flow to Holders and this will have the effect of lowering the capital value of a Holders investment. In any such case, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished. For Income Plus Units, this cycle may continue until all capital is depleted.

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1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

1.1 Investment Objective

The objective of the Fund is to seek to provide a total return primarily through investment in a portfolio of global property securities.

1.2 Investment Policies

The Fund will seek to achieve its objective by investing primarily in a global portfolio of publicly traded securities of companies engaged in the property industry or whose value is largely derived from property assets.

The Fund's investment universe will include real estate investment trusts ("**REITs**") or non-REIT real estate companies in the United States, and similar structures in other areas of the world. REITs are granted special tax treatment and must distribute 90% of their taxable income to investors. Non-REIT real estate companies also invest in income property and/or mortgages and loans. But as opposed to REITs, there is no mandatory dividend distribution requirement, and the taxation of these companies depends on how they are structured for tax purposes. Both REITs and non-REIT real estate companies shall be tradable on major markets and exchanges as securities. Investment in such structures will not affect the Fund's ability to provide redemption facilities. The Fund shall invest no less than 80% of the assets of the Fund in REITs, non-REIT real estate companies and similar structures.

A fixed exclusion criteria is in place to exclude owners and operators of private prisons.

The Fund may also invest in equity and debt securities of companies that at the time of investment have at least 50% of their assets, income or profits derived from products or services related to the global property industry. Debt securities that the Fund invests in such as fixed and/or floating corporate bonds are limited to those issued by property security companies such as non-REIT real estate companies and may or may not be of investment grade.

The Fund may invest in common and preferred equity securities, debt securities, options, warrants (up to 5% of the Fund), convertible bonds and depository receipts and other related securities. The Fund may utilize derivative instruments for the hedging of active currency exposures and other risk management objectives.

The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than 25% of the assets of the Fund may be held in aggregate in ancillary liquid assets. In normal operating environments the amount of ancillary liquid assets is not anticipated to exceed 10% of the Fund's assets.

The Fund may invest up to 10% of its assets in UCITS eligible collective investment schemes, including money market funds and exchange traded funds ("**ETFs**"), the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investment Funds.

At least 90% of the securities acquired by the Fund will be traded or listed on the exchanges and markets set out in **Appendix E** to the Prospectus.

Subject to any stricter criteria as set out in the SFDR Annex appended to this Supplement, the Fund applies the Manager's Exclusions Policy. Further details are set out in the Prospectus in the section entitled "*Part G – Exclusions Policy*" of the "*Sustainable Finance Disclosures*" in section 2 (**General Information**).

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.3 **Disclosures for the EU Sustainable Finance Disclosure Regulation ("SFDR")**

This Fund is classified as an ESG Orientated Fund (as defined in the Prospectus). The purpose of this section is to provide certain disclosures for the purposes of the SFDR in relation to the Fund. The Fund promotes environmental and social characteristics as defined in the SFDR.

The environmental characteristics promoted by the Fund are reduction of greenhouse gas (GHG) emissions, water conservation, and increasing usage of renewable energy sources. The social characteristics promoted by the Fund are increased diversity and inclusion in the workplace and on company boards and greater adoption of policies to eliminate the practice of forced labour.

The Sub-Investment Managers seeks to invest in companies with carbon emission reduction initiatives and integrates the consideration of its proprietary ESG scoring framework into all investment decisions in respect of the Fund. Further information about the environmental and social characteristics promoted by the Fund is available in the SFDR Annex appended to this Supplement.

The Investment Manager and the Sub-Investment Managers are signatories to the UN Principles for Responsible Investment (the "UNPRI") as part of the Principal Global Investors Group. As a signatory to the UNPRI, the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. UNPRI responsible investing reporting can be found at <https://www.principalam.com/eu/about-us/esg>.

1.4 **Disclosures for 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.

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.

1.5 **How the Fund References an Index or Benchmark**

The Fund is actively managed with reference to FTSE EPRA NAREIT Developed NTR (the "Index") on the basis that the Fund seeks to outperform the Index. The Investment Manager and/or the Sub-Investment Managers may reference the Index as part of the investment management process, and it is also considered as part of the investment risk monitoring process. However, the Investment Manager and/or the Sub-Investment Managers maintain full discretion to select investments for the Fund in line with the above investment policy. Information on the methodology of the calculation of the index can be found at <https://www.ftserussell.com/products/indices/epra-nareit>.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in section 1.3 above, are recognised independently of the Index.

1.6 Hedged Unit Classes

The Fund will offer Units in Hedged Unit Classes, details of which are set out below, and investors' attention is drawn to the relevant information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

1.7 Profile of a Typical Investor

Investment in the Fund is suitable for investors seeking a total return primarily through investment in a portfolio of global property securities and who are prepared to accept a high degree of volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply.

3 EFFICIENT PORTFOLIO MANAGEMENT

The Fund will utilise certain techniques and instruments from the Asset Replication Strategy and investors' attention is drawn to the relevant information pertaining to this set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

The Fund will utilise additional derivative techniques and instruments for the Hedged Unit Classes and may also do so for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank and investors' attention is drawn to the relevant information pertaining to these classes set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

4 BORROWINGS

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

5 INVESTMENT MANAGER

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Investment Manager**"), as investment manager to the Fund pursuant to the Investment Manager Agreement (as amended and novated) described in the Prospectus under the heading **Material Contracts**. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

6 SUB-INVESTMENT MANAGERS

The Investment Manager has, in turn, appointed Principal Real Estate Investors, LLC ("**PrinREI**"), Principal Global Investors (Europe) Ltd ("**PGIE**"), Principal Global Investors

(Australia) Ltd ("**PGIA**") and Principal Global Investor (Singapore) Limited ("**PGIS**") to act as sub-investment managers to the Fund (PGIE, PGIA and PGIS are collectively referred to as the ("**Sub-Investment Managers**").

PrinREI were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PrinREI**").

Pursuant to the Sub-Investment Manager Agreement with PrinREI, the Investment Manager has delegated to PrinREI overall responsibility for the Fund's investments in North American listed securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PrinREI may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PrinREI is regulated by the Securities and Exchange Commission.

PGIE were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIE**").

Pursuant to the Sub-Investment Manager Agreement with PGIE, the Investment Manager has delegated to PGIE overall responsibility for the Fund's investments in European listed securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIE may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIE is regulated by the Financial Conduct Authority.

PGIA were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIA**").

Pursuant to the Sub-Investment Manager Agreement with PGIA, the Investment Manager has delegated to PGIA overall responsibility for the Fund's investments in securities listed on Asian and Pacific markets and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIA may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIA is regulated by the Australian Securities & Investments Commission.

PGIS were appointed pursuant to a Sub-Investment Manager Agreement (the "**Sub-Investment Manager Agreement with PGIS**").

Pursuant to the Sub-Investment Manager Agreement with PGIS, the Investment Manager has delegated to PGIS security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Manager Agreement with PGIS may be terminated by either party on

giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

PGIS is regulated by the Monetary Authority of Singapore.

The Investment Manager has retained responsibility for managing exchange rate risk for the Hedged Unit Classes in the Fund.

7 RISK FACTORS

The general risk factors set out in the Prospectus under the heading **Special Investment Considerations and Risks** apply to the Fund.

In addition the further risk considerations in respect of the use of the Asset Replication Strategy and the Sustainable Finance Disclosures Risks are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

8 DISTRIBUTION POLICY

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the D2 Income Units, D2 Income Plus Units and units denoted as quarterly ("**Quarterly**"), will be declared and paid annually.

Distributions on the D2 Income Units and D2 Income Plus Units in the Fund will be declared and paid monthly within 30 days of the end of each calendar month.

Distributions on the Quarterly denoted Units in the Fund will be declared and paid quarterly within 30 days of the end of each calendar quarter.

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading **Distribution Policy** of the Prospectus.

Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the Holder at its risk and expense.

9 KEY INFORMATION FOR BUYING AND SELLING

Base Currency

US dollars

Initial Issue Price in respect of any unlaunched classes of Units

US\$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars, with the exception of Japanese Yen classes which have an initial issue price of JPY 1,000).

Initial Offer Period for all Unit in respect of any unlaunched classes of Units

From 9.00 a.m. on 15 December 2023 to 5.30 p.m. on 14 June 2024 as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

Business Day

Any day other than Saturday or Sunday on which banks are open for business in Ireland.

Dealing Day

Any Business Day and/or such other day or days as the Manager may with prior notification to Holders determine provided that there shall be at least one per fortnight.

Valuation Point

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

Dealing Deadline

In relation to Dublin shall, until further notice, be 10:00am Dublin time on the relevant Dealing Day.

10 CHARGES AND EXPENSES

10.1 The Sub-Investment Managers' fees are paid by the Investment Manager from its annual fee.

Units	Minimum Initial Subscription (Relevant Class Currency)	Current Preliminary Charge (% per annum)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	5.00	1.60	0.00	Not more than 0.0220	0.15
A2	1,000	5.00	1.60	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.80	0.75	Not more than 0.0220	0.15
D2	1,000	5.00	0.80	0.75	Not more than 0.0220	0.15
I	2,000,000	0.00	0.80	0.00	Not more than 0.0220	0.00

I2	100,000,000	0.00	0.43	0.00	Not more than 0.0220	0.00
I3	30,000,000	0.00	0.65	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.80	1.10	Not more than 0.0220	0.15
P	1,000	0.00	0.80	0.15	Not more than 0.0220	0.15
N	1,000	0.00	0.80	0.00	Not more than 0.0220	0.15
X	1,000,000,000	0.00	0.00	0.00	Not more than 0.0220	0.00

10.2 For A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross), the Manager shall be entitled to charge fees and expenses (in whole or in part) to the capital of the Fund attributable to the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) instead of income in order to provide greater flexibility in the payment of fees and expenses attributable to those classes.

For Income Plus Units, the Manager shall be entitled to declare dividends out of the Fund's capital instead of income in order to provide greater flexibility in the payment of dividends attributable to those classes.

10.3 In circumstances where such fees and expenses are charged to capital and/or dividends are declared out of capital, there may be reduced potential for capital growth meaning the capital value of the investment of a Holder in the A2, D2, Income Plus Unit classes and Unit classes denoted as (Gross) may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by reducing the potential for future capital growth.

10.4 No annual management fee will be attributable to the X Class Units. The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business. Please refer to the Prospectus under the heading **General Information; Income Units, Income Plus Units and Accumulation Units**.

10.5 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

11 OTHER INFORMATION

11.1 The following classes of Units in the Fund are available for issue:

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	<u>Hedged</u> : Euro, Singapore Dollar, Swiss Franc, US Dollar <u>Unhedged</u> : US Dollar, Euro, Hong Kong Dollar
A Class Income	<u>Hedged</u> : Euro, Singapore Dollar, Swiss Franc <u>Unhedged</u> : US Dollar
A2 Class Income (Quarterly)	<u>Hedged</u> : Australian Dollar, Euro, Singapore Dollar <u>Unhedged</u> : US Dollar
A2 Class Income Plus (Quarterly)	<u>Hedged</u> : Australian Dollar, Euro, Singapore Dollar <u>Unhedged</u> : US Dollar, Hong Kong Dollar
D Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
D Class Income	<u>Hedged</u> : Australian Dollar, Singapore Dollar, <u>Unhedged</u> : US Dollar
D2 Class Income	<u>Hedged</u> : Australian Dollar, Singapore Dollar <u>Unhedged</u> : US Dollar, Hong Kong Dollar
D2 Class Income (Gross)	<u>Hedged</u> : Euro <u>Unhedged</u> : N/A
D2 Class Income Plus (Gross)	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar, Hong Kong Dollar
F Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
F Class Income	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
I Class Accumulation	<u>Hedged</u> : US Dollar, Brazilian Real*, Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
I Class Income	<u>Hedged</u> : Danish Kroner, Euro, Japanese Yen, Singapore Dollar, Sterling, Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
I Class Income (Quarterly)	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar

I Class Income (Quarterly Gross)	<u>Hedged</u> : Australian Dollar, Singapore Dollar <u>Unhedged</u> : US Dollar
I2 Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
I2 Class Income	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
I3 Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : Swedish Krona
N Class Accumulation	<u>Hedged</u> : Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
N Class Income	<u>Hedged</u> : Danish Kroner, Euro, Singapore Dollar, Sterling, Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
P Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
P Class Income	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
X Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
X Class Income	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar

*The Settlement currency for Subscriptions and Redemptions relating to Brazilian Real Hedged I Class Accumulation Units is the Base Currency for the Fund (US Dollar).

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Global Property Securities Fund Legal entity identifier: 5493005ON3FC5B6DDH22

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

<div><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: _____%</div>	<div><input type="checkbox"/> It promotes Environmental/ Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</div>
<div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div>	<div><input type="checkbox"/> with an environmental objective in economic activities that do qualify as environmentally sustainable under the EU Taxonomy</div>
<div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div>	<div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div>
<div><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: _____%</div>	<div><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</div>
	<div><input type="checkbox"/> with a social objective</div>



What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics considered by the Fund are:

- Reduction of greenhouse gas emissions
- Water conservation
- Increasing usage of renewable energy sources.

The social characteristics considered by the Fund are:

- Increased diversity and inclusion in the workplace and on company boards
- Greater adoption of policies to eliminate the practice of forced labour.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Investment Managers use the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

Environmental:

For assessing an investee company's practice on carbon footprint, the Sub-Investment Managers consider indicators on GHG emissions of the portfolio, GHG emission reduction targets and the policies of investee companies as well as the GHG intensity of investee companies.

For assessing an investee company's practice on water conservation, the Sub-Investment Managers consider indicators on water consumption of investee companies.

For assessing an investee company's practice on increasing usage of renewable energy sources, the Sub-Investment Managers consider indicators on the share of non-renewable energy consumption of investee companies.

Social:

For assessing an investee company's practice on increased diversity and inclusion in the workplace and on the board of directors of the investee company, the Sub-Investment Managers consider indicators on inclusion and diversity policies set by the investee companies and the percentage of female directors on respective board of the investee companies.

For assessing an invest company's practice on adoption of policies to eliminate the practice of forced labour, the Sub-Investment Managers consider indicators on forced labour policies set by investee companies.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable as the Fund does not intend to make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable as the Fund does not intend to make sustainable investments.

--- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable as the Fund does not intend to make sustainable investments.

Sustainability

indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Principal adverse

impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

--- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as the Fund does not intend to make sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

✓ **Yes,** the Sub-Investment Managers 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 6 - Energy consumption intensity per high impact climate sector
- PAI 13 – Board gender diversity

The principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Managers' 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 disclosed in the annual report for the Fund.

☐ **No**

What investment strategy does this financial product follow?

The Fund will seek to achieve its objective by investing primarily in a global portfolio of publicly traded securities of companies engaged in the property industry or whose value is largely derived from property assets.

The Fund's investment process seeks consistent positive excess returns driven by bottom-up stock selection and constructing a portfolio with diversified sources of active return. Top-down and quantitative elements are also incorporated but represent a minor role in the investment process. The Sub-Investment Managers perform a fundamental style of investing that is characterised by quality, with an emphasis on owning companies at average or below average relative valuations (ie, owning quality companies at a reasonable price).

The investment process consists of a number of stages, beginning with fundamental research which is carried out by the Sub-Investment Managers' analysts. This research supports the analyst's investment recommendations, which serve as the Sub-Investment Managers' primary source of idea generation for the portfolio. There are three primary areas of focus in this analysis: (i) quality assessment of



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

fundamentals, (ii) relative valuation and (iii) recognition catalysts.

The quality assessment of a company's key fundamental attributes is expressed as a Quality Score (with a 1 – 5 ranking). This score is produced by the Sub-Investment Managers' analysts and covers ESG as one of six categories. The ESG input in the Quality Score is the rating a company receives by the Sub-Investment Managers' analysts based on its proprietary ESG scoring framework, as all companies are required to have an ESG score based on a 1 – 10 rating scale (10 being the highest score, 1 the lowest). The proprietary ESG scoring framework incorporates metrics to assess the E & S characteristics promoted by the Fund. To facilitate the ESG score, the analysts evaluate each company against such metrics to establish the key ESG attributes, opportunities, risks, or controversies for a given company. The Fund will invest at least 60% of its assets in companies with an ESG score of 6.0 or greater. This ensures a material percentage of the assets in the portfolio will be invested in companies that exhibit higher quality, above peer average ESG attributes

Data to produce the ESG score is sourced from (i) primary research which includes company management discussions through engagement, asset inspections, the study of company filings, and company issued sustainability reports, (ii) third party data providers from organisations (such as GRESB, MSCI, ISS and others) and (iii) in a limited fashion consistent with the Sub-Investment Managers' overall research efforts, ESG research from sell-side research firms. The next stages are security selection and portfolio construction, wherein the Sub-Investment Managers' portfolio management teams work to identify the best ideas and construct an integrated global portfolio, whereby the best ideas are weighted consistently with a global perspective. As part of the portfolio construction process, the Sub-Investment Managers are mindful of top-down, macro factors such as economic conditions, interest rates, geopolitical events, as well as style risks and calibrates portfolio weights as needed. Risks by factor, style or ESG are analysed which can influence portfolio positioning based on the Sub-Investment Managers' views of market conditions and available opportunities.

A fixed exclusion criteria is in place to exclude owners and operators of private prisons.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are as follows:

1. ***Propriety ESG Scoring:***

The Sub-Investment Managers' proprietary ESG scoring framework incorporates metrics to assess the environmental and social characteristics promoted by the Fund. The Sub-Investment Managers commit that a minimum of 60% of the Fund's exposure (as measured by portfolio weight) will be invested in companies with an ESG score of 6.0 or greater based on a 1- 10 rating scale.

2. ***Carbon reduction:***

The Fund will invest at least 60% of its assets in companies which have a publicly reported GHG emissions or carbon emission reduction target.

Please refer to the Prospectus for further information on the Exclusions Policy which is also applicable for the Fund's investments in addition to any Fund specific exclusions.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable as there is no committed minimum rate to reduce the scope of investments

● ***What is the policy to assess good governance practices of the investee companies?***

The Sub-Investment Managers identify governance considerations as integral to the

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

investment philosophy and process. Improving governance policies and practices are identified as providing a basis for an improved relative valuation, while governance dilution or deterioration represent an inherent source of risk and downward valuation. In order to ensure good governance, the Sub-Investment Manager engage with senior executives from investee companies within the Fund supplemented with third party specialist research.

As part of the Sub-Investment Managers' ESG scoring framework investee companies are rated specifically on corporate governance factors deemed relevant and material for listed REITs and real estate companies. Examples of the factors considered are the following: management structure (internal or external management), track record of shareholder friendly behaviour, shareholder capital management, structural takeover defences, alignment with shareholder interests, executive compensation practices, and corporate disclosures.



Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

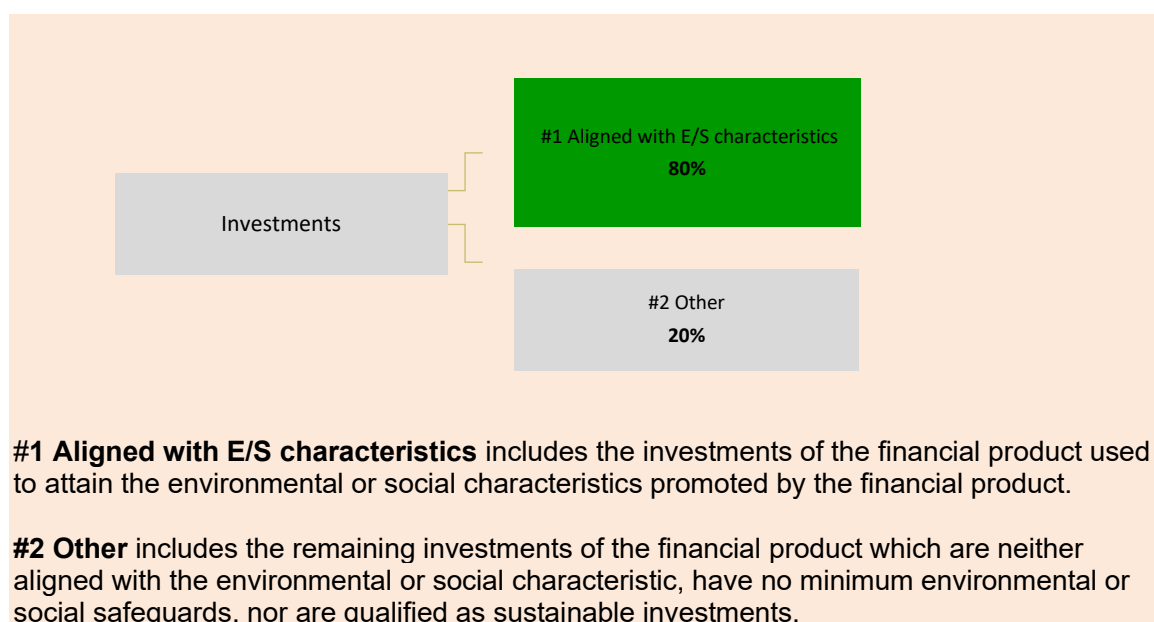
turnover reflecting the share of revenue from green activities of investee companies

capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

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 be cash, cash equivalents and hedging instruments and/or investments that may not be aligned with the E/S characteristics promoted by the Fund.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable as derivatives are not used to attain the environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹²?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive

¹Or such other amounts as the Manager may determine and, in the case of an increase in such amounts, notify to the Holders.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

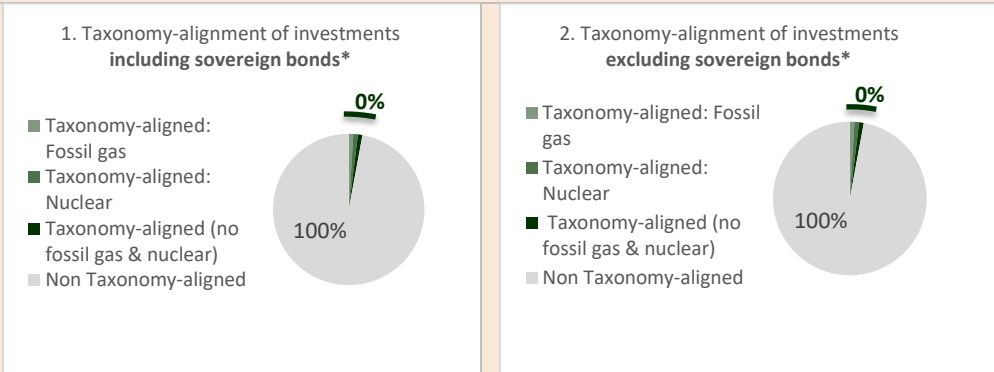
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.



What is the minimum share of investments in transitional and enabling activities?

0%.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.




What is the minimum share of socially sustainable investments?

0%.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The investments included under "**#2 Other**" are cash, cash equivalents and hedging instruments which are not subject to environmental and/or social screening or any minimum environmental or social safeguards and/or investments that may not be aligned with the environmental and/or social characteristics promoted by the Fund. Cash and cash equivalents do not affect the promoted environmental and/or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No. 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.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable. 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.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable. 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.

How does the designated index differ from a relevant broad market index?

- Not applicable. 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.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable. 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.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://brandassets.principal.com/m/1fe8e7202352d8c3/original/Article-10-Website-Disclosure-PGIF-Global-Property-Securities-Fund.pdf>