

**Supplement**  
**for the**  
**U.S Blue Chip Equity Fund**  
**14 December 2023**

**Principal Global Investors Funds**

This Supplement contains specific information in relation to the U.S Blue Chip Equity Fund (the "**Fund**"), a Fund of the 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 (together the "Prospectus"). Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.**

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## **1 INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR**

### **1.1 Investment Objective**

The investment objective of the Fund is to seek capital growth over the medium to long term.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

### **1.2 Investment Policies**

The Fund seeks to achieve its objective by generally investing at least 80% of its net asset value in "Equity and Equity Related Securities" of companies which are incorporated and/or listed on stock exchanges in the United States. Equity and Equity Related Securities includes but is not limited to equities, American depositary receipts and global depositary receipts, preferred shares, unleveraged participation notes linked to the underlying equity and warrants (not more than 5% of the Fund's Net Asset Value). The Fund will be managed without excessive concentration in any one sector.

The Fund will be managed on the basis of the Investment Manager's fundamental investment process. This is entirely bottom up in approach – that is, the Investment Manager follows an investment approach that focuses on analysing individual companies rather than stock markets and wider macro economic factors and seeks to invest in "blue chip" companies (companies considered to have a good reputation, be well-established in the market, show strong fundamentals, and have weathered economic downturns). There is a preference to invest, where appropriate, in businesses whereby the owner generally has an ownership interest considerably larger than their annual compensation received from the business and management is focused on building long-term value for the company. The Investment Manager will seek to identify companies that have few competitors, where alternative businesses are low or unavailable, where a competitor's barriers to entry are high, and where a company has strong relationships with their buyers and suppliers. The focus will be on those companies that are managed by first or second generation founders or have management teams who are focused on long term growth rather than short term results.

It is expected that the Fund will have low portfolio turnover and focus on long term holdings. A risk assessment of each company is also factored into the investment process whereby the Investment Manager seeks to reduce exposure to companies whose competitive advantage may be under threat, either by uncharacteristic management decisions leading to poor business results, a breakthrough competitor or perhaps new technologies that redefine the competitive landscape.

The Fund may also invest in Equity and Equity Related Securities of companies which are incorporated and/or listed on stock exchanges outside the United States. The securities acquired by the Fund (other than permitted unlisted investments) will be listed or traded on the exchanges and markets referred to in Appendix E to the Prospectus.

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, commercial paper, short term money market deposits and certificates of deposit). However generally no more than 10% of the net assets of the Fund may be held in aggregate in ancillary liquid assets, non-Equity and Equity Related Securities.

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, 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 Investments in other Investment Funds.

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

The Fund is actively managed with reference to Russell 1000 Growth TR (the "**Index**") on the basis that the Fund seeks to outperform the Index. However, the Index composition is not factored, either directly or indirectly, into the investment management process. The Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

### 1.4 **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** pertaining to such Units.

### 1.5 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking capital growth over the medium to long-term 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 derivative techniques and instruments for the purposes of currency hedging for the Hedged Unit Classes and for efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. The Fund may engage in foreign currency transactions either on a spot or forward basis to reduce the risks of adverse market changes in exchange rates. The Fund may invest in the following range of FDI:

*Forwards* - the Fund may enter into forward currency contracts which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

A forward settled transaction delays settlement of a transaction to a forward date.

*Swaps* - A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency.

Currency swaps can be used to transform the exposure to one currency against the exposure

to another currency. This can be done for hedging purposes.

Further information is 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 RISK FACTORS**

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund. In addition the further risk considerations in respect of the Asset Replication Strategy are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the prospectus.

#### **7 DISTRIBUTION POLICY**

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

#### **8 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 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 on which banks are open for business in Ireland, other than Saturday or Sunday, provided that it is not a public holiday in the United States.

### **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 and which in all cases shall be prior to the Valuation Point.

### **Dealing Deadline**

Means such time or times of day as the Manager may from time to time determine which shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

## **9 CHARGES AND EXPENSES**

<b>Units</b>	<b>Minimum Initial Subscription (Relevant Class Currency)</b>	<b>Current Preliminary Charge (%)</b>	<b>Annual Management Fee (% per annum)</b>	<b>Marketing and Distribution Fee (% per annum)</b>	<b>Annual Trustee Fee (% per annum)</b>	<b>Administration Fee (% per annum)</b>
A	1,000	5.00	1.20	0.00	Not more than 0.0220	0.15
D	1,000	5.00	0.60	0.75	Not more than 0.0220	0.15
I	2,000,000	0.00	0.60	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.35	0.00	Not more than 0.0220	0.00
F	1,000	0.00	0.60	1.10	Not more than 0.0220	0.15
N	1,000	0.00	0.60	0.00	Not more than 0.0220	0.15

- 9.1 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**.

## 10 OTHER INFORMATION

- 10.1 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> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
A Class Income	<u>Hedged</u> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
D Class Accumulation	<u>Hedged</u> : N/A <u>Unhedged</u> : US Dollar
D Class Income	<u>Hedged</u> : N/A <u>Unhedged</u> : US 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> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
I Class Income	<u>Hedged</u> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
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
N Class Accumulation	<u>Hedged</u> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling
N Class Income	<u>Hedged</u> : Swiss Franc <u>Unhedged</u> : US Dollar, Euro, Sterling