

This Notice is important and requires your immediate attention. If you are in any doubt about the contents of this Notice or the action to be taken, you should seek independent professional advice.

Principal Global Investors (Ireland) Limited accepts responsibility for the information contained in this Notice as being accurate at the date of publication. Unless otherwise defined in this Notice, capitalised terms used in this Notice shall have the same meaning as those used in the Hong Kong Summary Prospectus dated 26 March 2018 (the “Hong Kong Summary Prospectus”).

28 August 2018

Principal Global Investors Funds (the “Trust”)

Preferred Securities Fund (the “Fund”)

Dear Unitholder

We are writing to notify you as a Unitholder of the Fund, a sub-fund of the Trust, in our capacity as manager of the Trust (the “**Manager**”), of changes being made to the Fund, including in relation to the investment policy of the Fund.

Capitalised terms used in this document shall bear the same meaning as the capitalised and defined terms used in the Hong Kong Summary Prospectus.

The Hong Kong Summary Prospectus and the Product Key Facts Statement of the Fund will be updated to take account of the following:

(i) Convertible Instruments:

It is proposed that the investment policy of the Fund be clarified such that the Fund will be allowed to invest primarily in convertible bonds and less than 30% of its Net Asset Value in contingent convertible securities. As a result, the Fund will be subject to convertible bond risk and contingent convertible securities risk. Risk disclosures associated with both types of securities will be included in the revised Hong Kong offering documents.

(ii) Removal of Reference to REITs:

It is proposed to make a clarificatory change to the investment policy of the Fund to remove the reference to investment in real estate investment trusts (“**REITs**”). The Investment Manager has confirmed that REITs have never formed part of the investment universe for the Fund and therefore, should be removed from the list of permitted instruments.

Effective Date of the Proposed Clarification

The changes set out above are expected to take effect on or around 28 September 2018. These amendments are subject to the approval of the Central Bank of Ireland and do not require unitholder approval.

Updated Documents

Unitholders may obtain a copy of the updated Hong Kong Summary Prospectus and the Product Key Facts Statement of the Fund on or around 28 September 2018 free of charge from:

Principal Investment & Retirement Services Limited

30/F Millennium City 6
392 Kwun Tong Road
Kwun Tong
Kowloon
www.principal.com.hk¹

Registered Office: 32 Molesworth Street, Dublin2 D02 Y512, Ireland
Registered in Ireland. Company Number: 303982.
Regulated by the Central Bank of Ireland.
Directors: Michael Beer (USA), James Finn (UK and USA), John O’Connell (Irish),
David Shubotham (Irish), Greg Thornton (UK), Roberto Walker (Chilean), Bronwyn Wright (Irish).

Should you have any queries or concerns in relation to the proposed changes above, please contact the customer hotline of Principal Investment & Retirement Services Limited, the Hong Kong Representative, at (852) 2117-8383, 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, or visit our website at www.principal.com.hk¹.

Many thanks for your continued support.

Yours faithfully

A handwritten signature in black ink, consisting of several loops and a horizontal line extending to the right.

**Director, for and on behalf of
Principal Global Investors (Ireland) Limited**

¹ This website has not been reviewed by the SFC.