

Supplement
for the
Islamic Global Responsible Equity Fund

20 March 2024

Principal Global Investors Funds

This Supplement contains specific information in relation to the Islamic Global Responsible 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.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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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 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 investing at least 70% of its Net Asset Value in a globally diversified portfolio of Shariah-compliant equities (Shariah compliance being determined based on the assessment described below), that demonstrate positive fundamental change at attractive relative valuations (which is where positive fundamental changes have not been recognised by the market for investee companies when compared to other entities of a similar nature).

Investee companies are considered to be displaying positive fundamental change (synonymous with 'businesses becoming better') where they are seen to be actively improving and becoming stronger. The first step in the process employed by the Sub-Investment Manager, as defined further below, is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Sub-Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Sub-Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations, as further detailed in section 2 below, that are promoted by the Fund.

As a result of a corporate action, the Fund may also hold up to 10% of its Net Asset Value in call warrants, which give exposure to Shariah-compliant equities. Such warrants are equity related securities that entitle the holder to buy a specific amount of securities at a specific price, usually above the current market price at the time of issuance, for a specified or unspecified period. If the price of the security rises to above the warrant's exercise price, then the investor can buy the security at the warrant's exercise price and resell it for a profit.

The Fund may also invest up to 20% of its Net Asset Value in Shariah-compliant fixed income securities (Sukuk), issued by government, government-related entities such as local authorities and public authorities, corporate or supranational entities located globally. Such securities may be rated or unrated, however the proportion of unrated securities shall not exceed 10% of the Fund's Net Asset Value.

The Fund may invest more than 20% of its Net Asset Value in emerging markets.

The Fund may invest up to 20% of its Net Asset Value in convertible preferred securities but will not invest in contingent convertible bonds.

The Fund may invest up to 10% of its Net Asset Value in warrants as a result of corporate action.

The Fund may also invest in Shariah-compliant real estate investment trusts ("**REITS**"), subject to a maximum of 5% above the real estate weight in MSCI ACWI Islamic Index, but no more than 25% of the Net Asset Value. A REIT is typically established as a trust, corporation, or partnership structure that uses pooled capital of many investors to purchase and manage income property and/or mortgage loans.

Sukuk are certificates of equal value which evidence undivided ownership or investment in the underlying assets. The sakk (singular of Sukuk), as further detailed below, is freely traded at par, premium or discount. Commonly the term Sukuk is used for fixed income securities and debt securities which comply with Shariah principles in respect of financial instruments. The Sukuk in which the Fund may invest comprises of:

- (i) zero-coupon Sukuk and coupon bearing Sukuk;
- (ii) debentures; and
- (iii) up to 20% of the Fund's Net Asset Value in convertible Sukuk;

A proportion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in Shariah-compliant UCITS eligible collective investment schemes (being collective investment schemes which operate according to the requirements of Shariah law for example other sub-funds of the Unit Trust), including exchange traded funds, the constituents of which may comprise the instruments described above, and therefore is an alternative means through which the Fund may gain exposure to these types of instruments. Should the Fund invest in a non-UCITS Collective Investment Scheme (i.e. alternative investment funds), it shall be subject to the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds.

The Fund will hold at least 2% of its Net Asset Value in ancillary Shariah-compliant liquid assets, that is cash, money market instruments and a range of instruments that can be readily converted to cash (including treasury bills and government bonds ("Sukuk") with a duration of less than 12 months, which may be fixed or floating rate but shall not embed FDI or leverage and certificates of deposit). The Fund will only invest in ancillary liquid assets where they are issued by entities which operate according to Shariah law. However, no more than 20% of the Net Asset Value of the Fund may be held in aggregate in ancillary Shariah-compliant liquid assets with a single body.

The Fund's investments will (other than permitted unlisted investments) be listed/traded on the exchanges and markets listed in Appendix E to the Prospectus, provided that such exchanges and markets are either an ordinary or associate member of the International Organization of Securities Commission (IOSCO), further details of which are set out in www.iosco.org.

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 the MSCI ACWI Islamic Index (the "**Index**") on the basis that the Fund seeks to outperform the Index. The Sub-Investment Manager 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 Sub-Investment Manager maintain full discretion to select investments for the Fund in line with the above investment policy.

The Index does not take environmental or social characteristics into account, and considerations of the environmental and social characteristics, as further outlined in Section 2 are recognised independently of the Index. Information on the methodology of the calculation of the Index can be found from the Index provider's website www.msci.com.

1.4 **Profile of a Typical Investor**

Investment in the Fund is suitable for investors seeking a 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 should 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 **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 characteristic considered by the Fund is carbon footprint. The social characteristics considered by the Fund are health and wellbeing. The Shariah Investment Manager analyses potential investee companies identified pursuant to the investment decision making process with ESG considerations which are promoted by 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 Sub-Investment Manager is a signatory 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.principalglobal.com/eu/about-us/responsible-investing>.

2.1 **Taxonomy Disclosure**

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.

3 Investment Restrictions and Shariah Investment Guidelines

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

3.1

- (a) The Fund’s investments in Shariah compliant equities, Sukuk, warrants and money market instruments, as provided for in the investment policy, issued by any single issuer must not exceed 10% of the Fund’s Net Asset Value;
- (b) The Fund’s investments in Shariah compliant equities, Sukuk and warrants, as provided for in the investment policy must not exceed 10% of the securities issued by any single issuer;
- (c) The Fund’s investment in Shariah-compliant money market instruments must not exceed 10% of the instruments issued by any single issuer;

Note: This limit may be disregarded if the Shariah-compliant money market instrument does not have pre-determined issued size.

- (d) The value of the Fund’s OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 5% of the Fund’s Net Asset Value and the Fund’s exposure from derivatives position should not exceed the Fund’s Net Asset Value at all times;
- (e) The Fund’s investments in Shariah-compliant collective investment schemes must not exceed 25% of the overall number of issued units/shares in any one Shariah-compliant collective investment scheme;
- (f) In the case of cross-investment by the Fund in another sub-fund of the Unit Trust the following additional restrictions apply:
 - (i) The investment shall not be made in a sub-fund which itself holds units in any other sub-fund within the Unit Trust;
 - (ii) The rate of the annual investment management fee which investors in the Fund are charged in respect of that portion of the Fund’s assets invested in the Units of the other sub-funds of the Unit Trust (the **Receiving Funds**) (whether such fee is paid directly at the Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual investment management fee which investors in the Fund may be charged in respect of the balance of the Fund’s assets, such that there shall be no double charging of the annual investment management fee to the Fund as a result of its investments in the Receiving Fund.

- 3.2 The general investment restrictions set out in **Appendix G** of the Prospectus shall also apply to the Fund. The following also constitute the Shariah Investment Guidelines in respect of the Fund:

- a) **Equities** - The Fund may invest directly in securities which are Shariah-compliant listed under the list of Shariah-compliant securities included in the Index universe and other universes or service providers deemed Shariah compliant by the Shariah Adviser. The Index may be referred to as part of the stock selection process as it reflects Shariah compliant equities and is designed to measure the performance of the large and mid cap segments across certain developed markets – and certain emerging market countries in the Asia market.

For the avoidance of doubt, the Shariah Adviser has no discretionary input in respect of security selection. Securities which are not listed on the list of Shariah-compliant securities approved by the indices shall comply with the following Dow Jones Islamic Methodology guidelines which have been reviewed by the Shariah Adviser:

- (i) Investment is not allowed in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from the manufacture and/or sale and/or distribution of the following goods and services:
- (A) Alcohol (brewers, distillers & vintners, packagers, transporters, sellers and resellers);
 - (B) Recreational cannabis products;
 - (C) Pork-related products (food products, food retailers & wholesalers, hotels, restaurants & bars);
 - (D) Conventional financial services (banking, insurance, investment services, insurance brokers, mortgage finance, etc.);
 - (E) Weapons and defence (defence industries, manufacturers of weapons, contractors, suppliers of spyware and offensive components and systems);
 - (F) Entertainment (hotels, cinema, pornography, music, etc.).
- (ii) Investment is not allowed in companies which are directly active in or derive any revenue from the manufacture and/or sale and/or distribution of tobacco and electronic cigarettes; or casinos / gambling.
- (iii) Investment in companies which meet the following criteria is not allowed:
- A. Total debt divided by trailing 24-month average market capitalization is equal or more than 33% where “total debt” equals short term debt plus long term debt.
- b) **Sukuk** - The Fund shall only invest in Sukuk as endorsed by other Shariah scholar(s) or Shariah boards with the Shariah Adviser’s prior review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements and/or as listed in the Dow Jones Sukuk Total Return Index with the Shariah Adviser’s prior review. The Dow Jones Sukuk Total Return Index may be referred to as part of the selection process for Sukuk as it is designed to track the performance of global Islamic fixed income securities. Further information on Dow Jones Sukuk Total Return Index is available at www.spindices.com.
- c) **Islamic money market instruments** - The Fund shall only invest in money market instruments which are endorsed by other Shariah scholar(s) or Shariah boards with the Shariah Adviser’s prior review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements.

- d) **Islamic deposits** - Bank deposits shall be placed in accounts issued by licensed Islamic financial institutions or non-interest bearing accounts. The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.
- e) **Islamic Collective investment schemes** - The Fund shall only invest in UCITS eligible collective investment schemes which are endorsed by other Shariah scholar(s) or Shariah boards with the Shariah Adviser's prior review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements.
- f) **Islamic FDI** - The Fund shall only invest in Islamic FDI which are endorsed by other Shariah scholar(s) or Shariah boards with the Shariah Adviser's prior review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements.

The general investment restrictions set out in Appendix G of the Prospectus shall also apply to the Fund.

4 Borrowing

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 Efficient Portfolio Management

The Fund may enter into Islamic FDI for hedging and efficient portfolio management (“EPM”) purposes only in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. The Fund shall only enter into Islamic FDI which are endorsed by the other Shariah scholar(s) or Shariah boards with the Shariah Adviser's prior review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements.

The following is a description of the types of FDI which may be used by the Fund.

5.1 Islamic Forward Foreign Exchange Contracts

The Base Currency of the Fund is USD and exposure to currencies other than USD may, at the Sub-Investment Manager 's discretion, be fully or partially hedged back to USD through the use of Shariah-compliant currency forwards. The Fund may enter only into such transactions for efficient portfolio management to change the currency profile of the Fund without changing the profile of the invested assets. These are non-standardized, negotiated, over the counter contract between two parties to buy or sell currency at a specified future time at a price agreed upon today.

Such forwards may also be non-deliverable and structured so as to be cash settled, usually on a thinly traded currency or non-convertible currency.

5.2 Islamic Profit rate swaps (IPRS)

An IPRS is individually negotiated and traded over the counter. It involves the exchange by the Fund with another party of their respective commitments to receive certain cash flows for a specified period of time. One stream of future cash flows is exchanged for another, based on a specified principal amount. It is generally an exchange by the Fund of fixed rate cash flows for floating rate cash flows. The Fund therefore obtains floating rate profit exposure.

These are used to manage profit rate risk. Swap agreements are subject to liquidity risk, meaning that the Fund may be unable to sell a swap contract to a third party at a favourable price. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a counterparty.

5.3 Futures

Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. The Fund may invest only in Shariah-compliant index futures for EPM purposes.

Any financial indices which the Fund has exposure to through the use of FDI for EPM shall be UCITS eligible financial indices which meet with the requirements of the Central Bank. Insofar as it is practical and permitted, more specific information on any such indices will be set out in the annual and semi-annual accounts.

The Manager employs a risk-management process in respect of the Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI. The Fund shall only utilise the FDI listed in the risk management process. The Sub-Investment Manager uses a risk management technique known as the commitment approach to calculate the Fund's global exposure to ensure that the Fund's use of FDI is within the limits specified by the Central Bank. On request, supplementary information will be provided to Unitholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The Fund's global exposure and leverage (as prescribed by the Central Bank) relating to FDI will not exceed 100% of the Fund's Net Asset Value. Simple leverage is calculated as being global exposure divided by the Fund's Net Asset Value.

Any investment in Financial Derivative Instruments is subject to the Shariah Adviser's prior review.

Further information is set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

6 Shariah Investment Manager

The Manager has appointed Principal Islamic Asset Management Sdn Bhd to act as investment manager to the Fund (the "**Shariah Investment Manager**").

The Shariah Investment Manager was appointed pursuant to an Investment Management Agreement. This agreement may be terminated by either party on giving three 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.

The Shariah Investment Manager is regulated in Malaysia by the Securities Commission Malaysia. The Shariah Investment Manager has been cleared by the Central Bank to act as Shariah Investment Manager to Irish authorised collective investment schemes.

7 Sub-Investment Manager

The Shariah Investment Manager has appointed Principal Asset Management (S) Pte Ltd to act as a sub-investment manager to the Fund (the "**Sub-Investment Manager**"). The Sub-Investment Manager was appointed pursuant to a Sub-Investment Managers Agreement. This agreement may be terminated by either party on giving 3 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.

The Sub-Investment Manager is regulated by the Monetary Authority of Singapore (MAS) and holds a Capital Markets Services License for fund management issued by MAS. The Sub-Investment Manager has its office at 50 Raffles Place, #22-03A&B Singapore Land Tower, Singapore 048623.

8 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 FDI and Securities Financing Transactions Risks including Credit Risk, Counterparty Risk, Collateral Risk and Liquidity Risk; Settlement Risk, Convertible Bonds Risk, High Yield and Distressed Securities Risk, Interest Rate Risk and Sukuk Investment Risk are also applicable and investors' attention is drawn to the relevant information pertaining to these set out in the Prospectus.

9 Distribution Policy

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund save that the Manager, in consultation with the Directors, will be entitled to pay dividends only out of net income and/or realised gains net of realised losses of the Fund. Dividends will not be paid out of capital.

Dividends on the Units described as "Income Units" will be declared and paid annually within 30 days of the end of the Fund's financial year.

Dividends on all Income Units will be paid within 30 days of the respective dividend declaration date specified above.

Such dividends may be paid in cash in which case they will be paid by telegraphic transfer to the nominated account of the Unitholder at its risk and expense.

It is not the intention of the Manager and the Directors to declare a dividend in respect of the Units described as "Accumulation Units". Any distributable amounts attributable to such Accumulation Units will remain in the Fund's assets and be reflected in the Net Asset Value of the Accumulation Units.

10 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) or other values as determined by the Manager.

Initial Offer Period in respect of any unlaunched classes of Units

From 9.00 a.m. on 21 March 2024 to 5.30 p.m. on 20 September 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 the 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.

Dealing Deadline

10.00am (Irish time) on the relevant Dealing Day or such other time, provided it is before the relevant Valuation Point, as the Directors may determine and notify Unitholders in advance.

The Directors may agree to accept specific applications after the Dealing Deadline, but before the relevant Valuation Point, at their discretion in exceptional circumstances.

Settlement Date

In the case of subscription(s), cleared funds must be received on or before 3 Business Days after the relevant Dealing Day. In the case of redemption(s), payments of redemption proceeds will generally be settled on the third Business Day following the relevant Dealing Day (T+3), but in any event within ten Business Days from the relevant Dealing Day (T+10). Payment will only be made to an account in the name of the registered Unitholder. No payments to third parties will be made.

11 Charges and Expenses

11.1 Investment and Management Charges:

Units	Minimum Initial Subscription	Current Preliminary Charge(%)	Annual Management Fee (% per annum)	Annual Trustee Fee (% per annum)
A	1,000	5.00	1.50	Not more than 0.0220
B	1,000	See details below	1.50	Not more than 0.0220
R	1,000	0.00	0.80	Not more than 0.0220
I	1,000,000	0.00	0.80	Not more than 0.0220

11.2 The Annual Management Fee payable to the Shariah Investment Manager will accrue and be calculated on each Valuation Day and be payable monthly in arrears. The Shariah Investment Manager will also be entitled to be reimbursed out of the assets of the Fund for all its own reasonable out of pocket costs and expenses. The Shariah Investment Manager will pay the fees of the Sub-Investment Manager from its Annual Management Fee.

11.3 The Manager reserves the right to charge up to 5.00% of the amount of the initial investment in the A Class Units. No initial charge is payable in respect of the R Class Units or the I Class Units.

- 11.4 In respect of the B Class Units, the Manager will apply an initial charge on a contingent deferred basis (i.e. apply a contingent deferred sales charge) upon Unitholders redemption / exchange within 36 months of their subscription of Units.

The amount of the contingent deferred sales charge levy payable for B Class Units will depend on the length of time between the date the Units were purchased and their redemption / exchange at the rates set out in the table below:

Unit Classes	Number of months from the relevant initial subscription date		
	Less than 24 months	Over 24 months and less than 36 months	36 months and over
B Class Units to be redeemed / exchanged	3.00% of the NAV at the time of purchase	1.50% of the NAV at the time of purchase	0%

- 11.5 The costs of establishing the Fund will be paid by Principal Asset Management.

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**.

12 Other Information

- 12.1 The Manager has the sole right to appoint the Shariah Adviser(s) for the Fund without approval from Unitholders.

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

Unit Classes	Class Currency
Base Currency	US Dollar
A Class Accumulation	Hedged: N/A Unhedged: USD, EUR, GBP, SGD
A Class Income	Hedged: N/A Unhedged: USD, EUR, GBP, SGD
B Class Accumulation	Hedged: N/A Unhedged: USD
B Class Income	Hedged: N/A Unhedged: USD
I Class Accumulation	Hedged: N/A Unhedged: USD, EUR, GBP, SGD

I Class Income	Hedged: N/A Unhedged: USD, EUR, GBP, SGD
R Class Accumulation	Hedged: N/A Unhedged: GBP
R Class Income	Hedged: N/A Unhedged: GBP

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

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.

Product name: Islamic Global Responsible Equity Fund

Legal entity identifier: 2549008AJATMQNOWXA57

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

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

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



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

The environmental characteristic considered by the Fund is carbon footprint. The social characteristics considered by the Fund are health and wellbeing.

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 Manager uses the following indicators to measure the attainment of each of the characteristics promoted by the Fund:

For assessing an investee company's practice on carbon footprint, the Sub-Investment Manager checks indicators on GHG intensity of investee companies.

For assessing an investee company's practice on health and wellbeing, the Sub-Investment Manager excludes issuers with any exposure to gambling and / or tobacco.

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.

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

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.

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

No, the Investment Adviser does not consider principal adverse impacts on sustainability factors as part of the decision making process for the Fund. This is because the assessment of principal adverse impacts on the performance of the Fund is difficult to predict and it is also difficult to provide a meaningful assessment on the performance of any potential adverse impact given the lack of relevant information from target companies/investments. This situation will be kept under review and may be amended in the future in accordance with Article 7 of SFDR (or as otherwise required under SFDR).



What investment strategy does this financial product follow?

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

The Fund seeks to achieve its objective by investing at least 70% of its Net Asset Value in a globally diversified portfolio of Shariah-compliant equities that demonstrate positive fundamental change at attractive relative valuations. Investee companies are considered to be displaying positive fundamental change (synonymous with 'businesses becoming better') where they are seen to be actively improving and becoming stronger. The first step in the process is to identify signs of positive change in an investee company. Indicators of positive change could be determined from sources such as accelerating sales volumes, increased market share or improved financial statements. The Sub-Investment Manager then seeks to identify the catalysts underlying the positive change through proprietary screening and determine whether they are internal catalysts (investee company driven) and/or external catalysts (industry driven). Internal catalysts could be driven by internal investee company operational initiatives that range from cost cutting to expanding distribution, better capital deployment and improved corporate governance. External catalysts could be driven by favourable product cycles, changing industry dynamics and regulatory changes. The foregoing analysis of catalysts enables the Sub-Investment Manager to assess the likely magnitude and durability of the catalysts and whether the change is likely to be structural or cyclical in nature. The Sub-Investment Manager will have an investment preference for investee companies whose catalysts are therefore likely to be long term and structural in nature (i.e. will create fundamental positive change). This enables the Sub-Investment Manager to substantiate investee companies that are considered to be displaying positive fundamental change and whose valuation is therefore under-appreciated in the market relative to their potential for positive fundamental change.

The Sub-Investment Manager subsequently analyses potential investee companies identified pursuant to the foregoing process to determine whether they are consistent with the ESG considerations that are promoted by the Fund.

In order to meet the environmental and social characteristics promoted, the Sub-Investment Manager combines an assessment of ESG risks with screening and exclusion criteria

In order to consider ESG risk, the Sub-Investment Manager assigns an ESG risk level to each holding considered within the Fund. To assign the ESG risk levels, the Sub-Investment Manager evaluates an investee company's relationships with each of its stakeholders; shareholders, customers, employees, suppliers and their supply chains, their communities and the environment. The Sub-Investment Manager will use internal data, incorporating partnership with third party data providers (MSCI, ISS and Bloomberg etc.) to help provide consistent data across the investment universe when making these evaluations. The Sub-Investment Manager will also assign an ESG risk trend of either improving, stable or deteriorating using the above processes. This risk trend designation provides important context to the risk level and informs the Sub-Investment Manager's tolerance for that risk.

The Sub-Investment Manager subsequently uses these ESG risk levels to identify the key risks to the stakeholders and the associated positive change to the environmental characteristics to be considered in each holding and references these outcomes in investment decision making. Stocks of Shariah-compliant companies which demonstrate poor or deteriorating ESG scores or those with outstanding ESG issues deemed to have potential material financial impact would either be removed or significantly downsized, and the Sub-Investment Manager seeks to engage with companies that are non-performing from an ESG standpoint, with the aim of improving their ESG performance.

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 Sub-Investment Manager uses MSCI data to identify the carbon risk score for investee companies and aims for an aggregate carbon risk level for the Fund that is 15% lower than the Index.

The Sub-Investment Manager uses MSCI data to measure the percentage of the Fund's market value that is exposed to companies ranking below average relative to global peers on MSCI's assessment of accounting aggressiveness, and aims for an aggregate accounting flag weight lower than that of the Index.

A set of fixed social exclusion criteria is in place to exclude companies or issuers from consideration for investment where any revenue is derived from involvement in producing tobacco or involvement in the gambling sector, as defined by the GICS Industry Sector classification.

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.

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

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

The Sub-Investment Manager identifies governance considerations as integral to the 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 engages with senior executives from investee companies within the Fund.

The Sub-Investment Manager also applies screening to consider accounting flags, intended to measure the percentage of a portfolio's Net Asset Value exposed to companies ranking below average relative to global peers on MSCI's assessment of accounting aggressiveness, and aims for an aggregate accounting flag weight lower than that of the Index.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

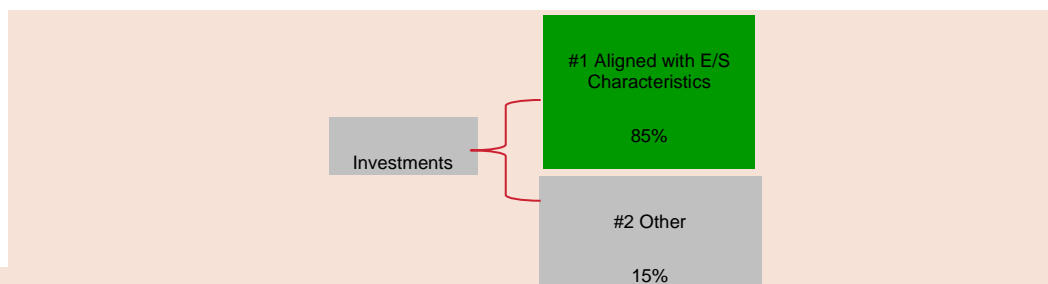
Taxonomy-aligned activities are expressed as a share of:

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

In accordance with the binding elements of the investment strategy, 85% of investments made will be aligned to the E/S characteristics, whilst the remaining 15% will be cash, cash equivalents and hedging instruments.



#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.

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.

investee companies.

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.



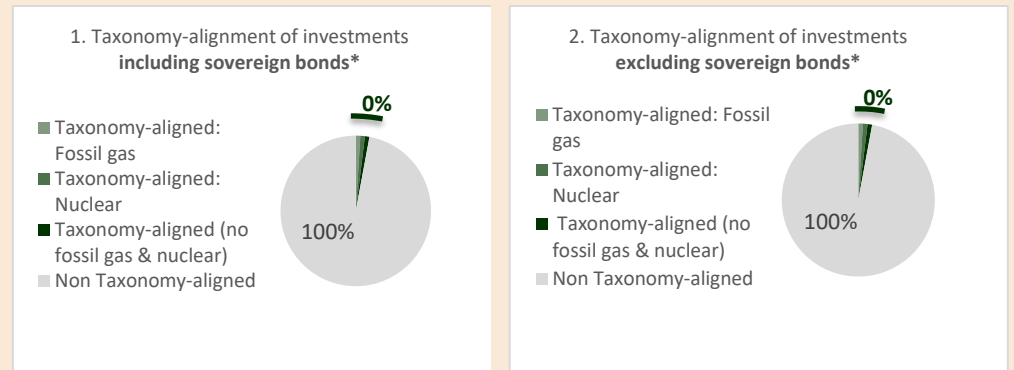
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- 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.



are sustainable investments with an environmental objective that **do not take into**



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

0%.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change 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.

account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



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?

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



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?

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

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?

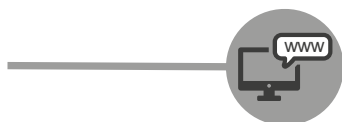
Not applicable. There is no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

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://www.principalam.com/eu/about-us/esg>