

- *This statement provides you with key information about Principal Global Investors Funds - European Equity Fund (“Sub-Fund”).*
- *This statement is a part of the offering document.*
- *You should not invest in the Sub-Fund based on this statement alone.*

Quick facts

Manager:	Principal Global Investors (Ireland) Limited	
Delegate of the Manager:	Principal Global Investors, LLC. Internal delegation in the USA	
Sub-Delegate of the Manager:	Principal Global Investors (Europe) Limited. Internal delegation in the UK	
Trustee:	The Bank of New York Mellon SA/NV	
Ongoing charges over a year*:	USD A Class Income Units	1.88%
	USD A Class Accumulation Units	1.88%
<p>* The ongoing charges are based on last year’s expenses, for the year ended 30 September 2019, and this figure may vary from year to year. The ongoing charges include management fee, trustee fee, administration fee, custodian fee, audit fee, professional expense, legal fee and other expenses.</p>		
Dealing frequency:	Every Ireland business day, other than Saturday and Sunday	
Base currency:	US Dollar	
Dividend policy:	<p>For Income Units:</p> <ul style="list-style-type: none"> • It will be paid on an annual basis in the month of January each year. • Dividend, if declared, will be automatically re-invested unless cash distribution is applied for. • The dividends distributed by the Sub-Fund may be paid effectively out of the capital of the Sub-Fund (i.e. making the distribution from gross income while charging all or part of the Sub-Fund’s fees and expenses to capital), resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and an immediate reduction of the net asset value per unit of the Sub-Fund. Payment of dividends effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. <p>For Accumulation Units:</p> <ul style="list-style-type: none"> • No dividend will be declared or distributed. 	
Financial year end of this Sub-Fund:	30 September	

Min. investment: **For A Class Units:** US\$ 1,000 initial

What is this product?

The Sub-Fund is a fund constituted in the form of a unit trust. It is domiciled in Ireland and its home regulator is the Central Bank of Ireland.

Objectives and Investment Strategy

Objective

To seek capital growth over the medium to long term by investing primarily in the equity securities of companies domiciled or with their core business in Europe (including Eastern Europe), which the Manager believes are mispriced by the market and have the potential for significant growth.

Investment Strategy

The Sub-Fund can invest in both listed and unlisted equity securities from the European markets, with a level of 10% of the net assets of the Sub-Fund permitted in unlisted securities. Such markets may include emerging markets. Emerging markets include those countries identified as emerging markets by the International Finance Corporation, a division of the World Bank and other underdeveloped countries that the Manager believes present attractive investment opportunities. The Sub-Fund may hold investments from time to time which are listed or traded in Russia. It is not anticipated that such investments will normally constitute a substantial element of the Sub-Fund and shall not in any event exceed 15% of the net assets of the Sub-Fund. The Sub-Fund may also invest in debt securities issued by companies in which the Sub-Fund can purchase equity securities in order to achieve its objective.

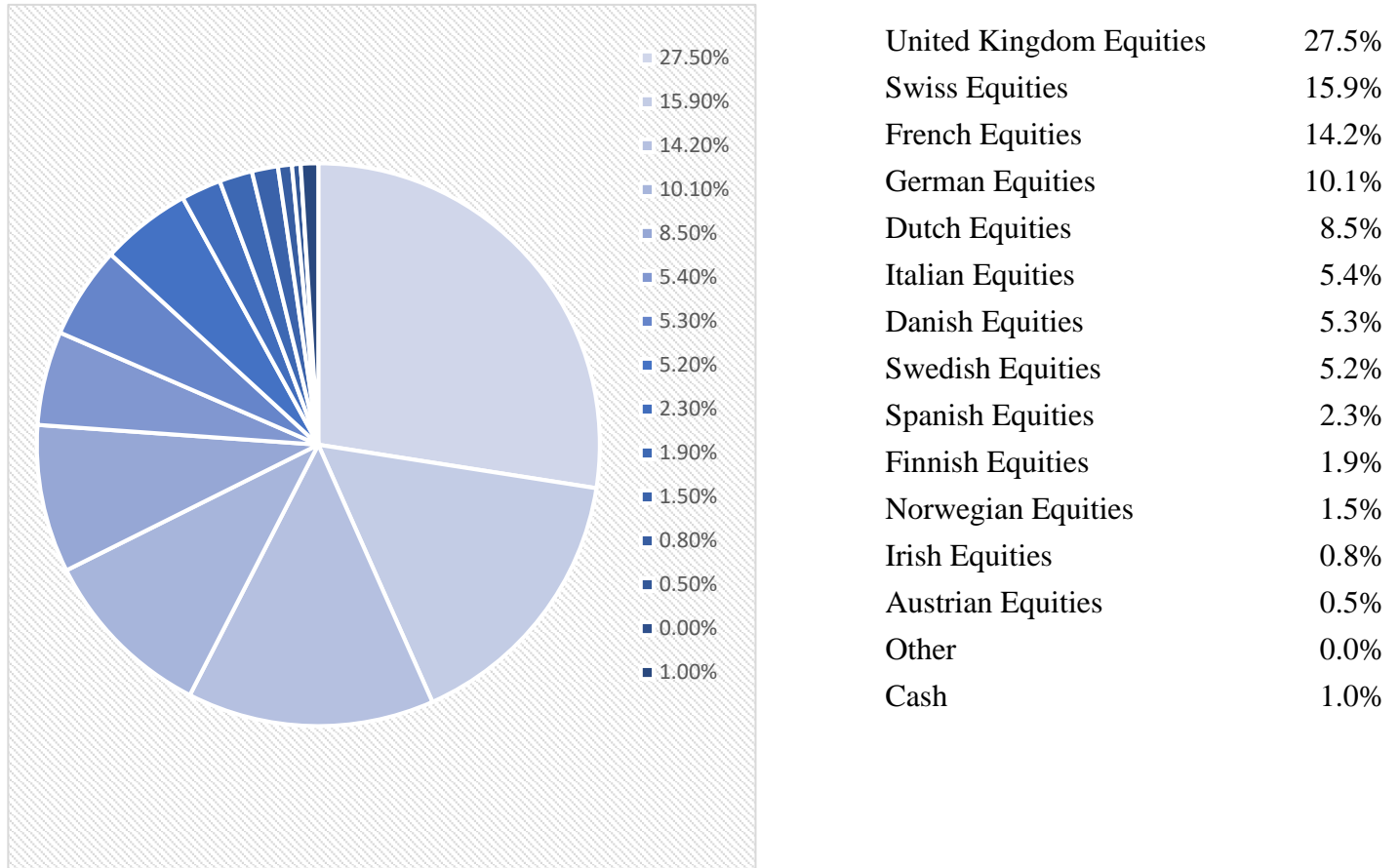
The Sub-Fund may also invest in other sub-funds of the Principal Global Investors Funds to attain its investment objective. It may also invest in real estate investment trusts (REITS) or other REIT-like structures which will be the equivalent of REITS. The Sub-Fund may also hold ancillary liquid assets such as bank deposits, and a range of non-equity securities, including debt securities, fixed interest and money market securities (such as government bonds and bank bills). However, no more than one-third of the net assets of the Sub-Fund may be held in aggregate in ancillary liquid assets, non-equity securities and/or invested outside of Europe.

The Sub-Fund may use financial derivative instruments (“FDI”) for the purpose of efficient portfolio management. The FDI that may be entered into for this purpose may include options, futures, options on futures, and other over the counter derivative instruments (including swaps).

Use of Derivatives / Investment in Derivatives

The Sub-Fund’s net derivative exposure may be up to 50% of its net asset value.

Investment Mix as at 31 December 2019



What are the key risks?

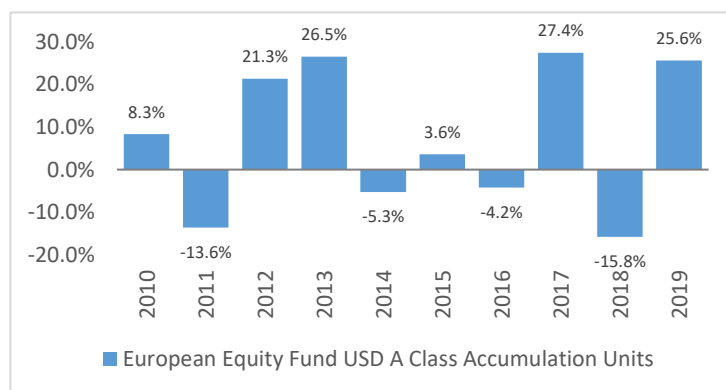
Investment involves risks. Please refer to the Summary Prospectus for details including the risk factors.

- 1. Risk of investments in Europe** - In view of the recent economic and financial crisis surrounding Europe and the likelihood that the economies in the European region are unlikely to recover swiftly within the foreseeable future and may continue to deteriorate or spread within and outside Europe, investing into the Sub-Fund involves significant risk as the deterioration in the economic conditions of the European market will expose the Sub-Fund to extremely high liquidity and volatility risks, as well as additional political, sovereign and foreign exchange risks. In particular, investments in European securities and the value of such securities may be affected by the market, currency, economic and political conditions in Europe. In addition, it is possible that certain existing member countries may withdraw from the Eurozone and from using the Euro, and the Eurozone may break up and the Euro may cease to be used as a currency in the Eurozone. It is therefore highly probable that investment in the Sub-Fund in such period of economic instability around the European region will result in significant loss of your investments in the Sub-Fund.
- 2. Concentration risk** - The performance of the Sub-Fund may be significantly affected or become volatile if the Sub-Fund concentrates its investments in a particular market and/or the markets of a particular geographical region.
- 3. Unlisted securities** – The unlisted securities into which the Sub-Fund invests may have little or no liquidity. It may be difficult for their proper market price to be determined within a short period of time, and they may not be able to be realised readily at a favorable price.
- 4. Emerging markets** – The Sub-Fund may be exposed to emerging market risks due to its policy of diversification, which involves investing in emerging market economies. Investments in emerging markets may, as a result, be adversely affected by changes in law and government policy. Accordingly, investment in the Sub-Fund may be exposed to emerging market risks including but not limited to higher liquidity and volatility risks and additional legal regulatory, political, expropriation, repatriation and foreign exchange risks, which are not normally associated with investing in more developed markets, and may have an adverse impact on the Sub-Fund's performance.
- 5. Market risk** - The Sub-Fund's investments are subject to the risks inherent in all securities, including the fact that the value of holdings may go down as well as up significantly, and you may not be able to get back the same amount you invested. In particular, the income earned from the Sub-Fund's investments may fluctuate up or down as a result of changes in the dividend policy of the underlying companies in which the Sub-Fund is invested. Such changes will impact on the level of income available for distribution by the Sub-Fund.
- 6. Financial derivative instruments** - The degree of success of the Sub-Fund in using financial derivative instruments for efficient portfolio management will depend, to a large extent, on the ability of the Manager

or its delegate to correctly identify and execute on suitable opportunities. This process involves uncertainty, and in adverse situations, such techniques may become ineffective and significant losses may be suffered by the Sub-Fund.

- 7. Dividends paid effectively out of capital** - The dividends distributed by the Sub-Fund may be paid effectively out of the capital of the Sub-Fund (i.e. making the distribution from gross income while charging all or part of the Sub-Fund's fees and expenses to capital), resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and an immediate reduction of the net asset value per unit of the Sub-Fund. Payment of dividends effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.

How has the Sub-Fund performed?



Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.

These figures show by how much the USD A Class Accumulation Units** increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Sub-Fund launch date: 1992

USD A Class Accumulation Units launch date: 1996

**The Manager views USD A Class Accumulation Units, being the retail share class denominated in the Sub-Fund's base currency with the longest track record, as the most representative share class.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of the money you invest.

What are the fees and charges?

- **Charges which may be payable by you**

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	What you pay
Subscription fee (Preliminary Charge)	For A Class Units Up to 5% of the amount you buy
Switching fee	Four free switches in a 12-month period. Up to 1% of the amount you are switching for any subsequent switches
Redemption fee	N/A

- **Ongoing fees payable by the Sub-Fund**

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	Annual Rate (as a % of the Sub-Fund's Net Asset Value attributable to the relevant unit class)	
Management fee	For A Class Units	1.50%
	Annual Rate (as a % of the Sub-Fund's Net Asset Value)	
Trustee fee	For A Class Units	
	minimum	USD 15,000
	Up to	0.022%
Performance fee	N/A	
Administration fee	For A Class Units	0.15%

- **Other fees**

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will bear the costs which are directly attributable to it. Please refer to the section "Fees and Expenses" of the Summary Prospectus for details.

You will be given not less than 3 months' prior notice should there be an increase in any of the above fees and charges from the current level up to the specified maximum level. Please refer to the section "Fees and Expenses" of the Summary Prospectus for details of the maximum level of the above fees and charges (if applicable).

Additional Information

- You generally buy and/or redeem units at the Sub-Fund's next-determined net asset value (NAV) after the Manager receives your request in good order on or before 5:00 p.m. (Hong Kong time) (being the dealing cut-off time) on a particular dealing day. If you place your subscription or redemption orders through your distributor, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The net asset value per unit of the Sub-Fund will be calculated by reference to prices of the underlying assets of the Sub-Fund as at 11:00 p.m. (Dublin time) on a given dealing day.
- The net asset value per unit of the Sub-Fund will be published on each dealing day and available online at <http://www.principal.com.hk>*.
- The information pertaining to the composition of the dividends distributed (i.e. the relative amounts paid out of (i) net distributable income; and (ii) capital) for the last 12 months can be obtained from the Hong Kong Representative upon request and also on the internet website of <http://www.principal.com.hk>.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the internet website of <http://www.principal.com.hk>*

* This website has not been reviewed by the SFC.

Important

- If you are in doubt, you should seek professional advice.
- The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.