

PRINCIPAL GLOBAL INVESTORS (AUSTRALIA) LIMITED
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12 December 2017

Dear Client,

Buy / Sell Spread Update
Principal Global Credit Opportunities Fund (Fund) (PGI0001AU)

Following a recent review of the Fund's transaction costs, we write to advise that we are amending the buy / sell spread applicable to the Fund.

The buy / sell spread currently applied to applications and redemptions from the Fund equals 0.15% and 0.15% of the transaction amounts, respectively. The new buy spread will be 0.10% of the transaction amount, applicable to applications. The new sell spread will be 0.10% of the transaction amount, applicable to redemptions.

The new buy / sell spread will be applicable to all applications and redemptions lodged from 14 December 2017 onward.

Some of the transactional and operational costs such as brokerage and stamp duty are recovered through the buy / sell spread. This is to ensure that the transacting unitholder bears the cost of their application and redemption rather than the non-transacting unitholders.

This is an additional cost to you when you invest in or redeem from the Fund. It is retained by the Fund. It is not a fee paid to us.

Additional information about fees and costs is available in the attached Product Disclosure Statement.

If you have any questions, please feel free to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Grant Forster'.

Grant Forster
Chief Executive Officer, Principal Global Investors (Australia) Limited