

Principal Diversified Real Asset Fund - Institutional Class

Category
World Allocation

Investment Objective & Strategy

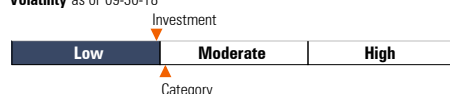
From the investment's prospectus

The investment seeks a long-term total return in excess of inflation.

Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in investments related to real assets and real asset companies. It seeks to achieve its investment objective by allocating its assets among general investment categories related to real assets and real asset companies (which include tangible assets and investments that are expected to perform well in periods of rising or high inflation).

Volatility and Risk

Volatility as of 09-30-18



Risk Measures as of 09-30-18	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	6.30	0.69	0.93
3 Yr Beta	1.01	—	0.94

Principal Risks

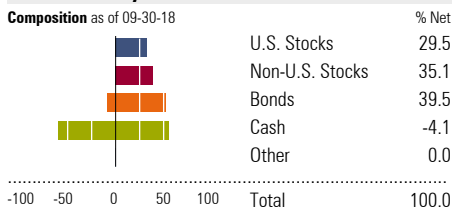
Credit and Counterparty, Currency, Foreign Securities, Loss of Money, Not FDIC Insured, Bank Loans, Commodity, Equity Securities, High-Yield Securities, Industry and Sector Investing, Underlying Fund/Fund of Funds, U.S. Government Obligations, Derivatives, Leverage, Fixed-Income Securities, Maturity/Duration, Shareholder Activity, Management, MLP, Real Estate/REIT Sector

Important Information

Morningstar Investment Profiles must be accompanied by Morningstar Disclosure and Glossary.

Funds or their affiliates may pay compensation to Voya® affiliates offering a fund. Such compensation may be paid out of distribution, service and/or 12b-1 fees that are deducted from the fund's assets, and/or may be paid directly by the fund's affiliates. Any fees deducted from fund assets are discussed in the fund's prospectus and disclosed in the fund fact sheet. Because these fees are paid on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. If offered through a retirement program, additional fees and expenses may be charged under that program. NOT A DEPOSIT. NOT FDIC INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE INSTITUTION. MAY GO DOWN IN VALUE.

Portfolio Analysis



Top 10 Holdings as of 09-30-18

Security	% Assets
Dracay Credit Suisse - 30	11.07
RECV LCH INTEREST RATE SW_Receive 12-20-18	8.83
Principal Government Money Market Instl	1.87
Us 2yr Note (Cbt) Dec18 01-02-19	1.11
United States Treasury Bills 2.26% 03-07-19	0.88
United States Treasury Bills 2.17% 02-07-19	0.86
United States Treasury Bills 2.1% 01-10-19	0.85
Enbridge Inc	0.81
Williams Companies Inc	0.72
Transurban Group	0.71

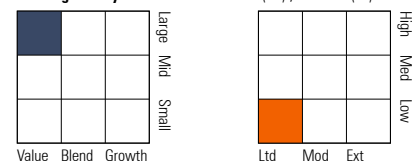
Credit Analysis: % Bonds as of 09-30-18

Rating	Count	%
AAA	50	13
AA	2	19
A	0	5
BBB	2	9

Operations

Gross Prosp Exp Ratio	0.93% of fund assets
Net Prosp Exp Ratio	0.86% of fund assets
Management Fee	0.80%
12b-1 Fee	—
Other Fee	0.00%
Miscellaneous Fee(s)	0.13%
Fund Inception Date	03-16-10
Total Fund Assets (\$mil)	4,188.5
Annual Turnover Ratio %	65.10
Fund Family Name	Principal Funds

Morningstar Style Box™ as of 09-30-18(EQ) ; 09-30-18(F-I)



Morningstar Super Sectors as of 09-30-18

Sector	% Fund
Cyclical	45.19
Sensitive	36.90
Defensive	17.91

Morningstar F-I Sectors as of 09-30-18

Sector	% Fund
Government	33.98
Corporate	14.40
Securitized	0.00
Municipal	0.00
Cash/Cash Equivalents	10.91
Other	40.70

Waiver Data

Type	Exp. Date	%	
Expense Ratio	Contractual	12-30-19	0.07

Portfolio Manager(s)

Kelly Grossman. Since 2010.
Jake Anonson, CFA. Since 2014.

Advisor	Principal Global Investors, LLC
Subadvisor	BNP Paribas Asset Management USA, Inc.

Notes

Principal Global Investors, LLC ("PGI"), the investment advisor, has contractually agreed to limit the Fund's Management Fees through the period ending December 30, 2019. The fee waiver will reduce the Fund's Management Fees by 0.03% (expressed as a percent of average net assets on an annualized basis). It is expected that the fee waiver will continue through the period disclosed; however, Principal Funds, Inc. and PGI, the parties to the agreement, may mutually agree to terminate the fee waiver prior to the end of the period. Principal Global Investors, LLC ("PGI"), the investment advisor, has contractually agreed to limit the Fund's expenses by paying, if necessary, expenses normally payable by the Fund, (excluding interest expense, expenses related to fund investments, acquired fund fees and expenses, and other extraordinary expenses) to maintain a total level of operating expenses (expressed as a percent of average net assets on an annualized basis) not to exceed 0.85% and for Institutional Class shares. It is expected that the expense limits will continue through the period ending December 30, 2019; however, Principal Funds, Inc. and PGI, the parties to the agreement, may mutually agree to terminate the expense limits prior to the end of the period.