

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 allocates its assets among general investment categories related to real assets, which include tangible assets and investments that are expected to perform well in periods of rising or high inflation, such as the following: infrastructure, natural resources and timber, commodities, real estate, inflation-indexed bonds, and floating rate debt.

Volatility and Risk

Volatility as of 09-30-20



Risk Measures as of 09-30-20	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	12.53	0.71	1.00
3 Yr Beta	1.14	—	1.01

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

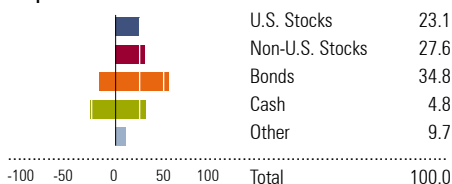
Important Information

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

Composition as of 09-30-20



Top 10 Holdings as of 09-30-20

Security	% Assets
Dracay Credit Suisse - 30	9.72
Principal Government Money Market Instl	1.98
2 Year Treasury Note Future Dec 20 12-31-20	1.90
5 Year Treasury Note Future Dec 20 12-31-20	0.88
United States Treasury Notes 0.75% 07-15-28	0.80
Transurban Group	0.78
United States Treasury Notes 0.12% 07-15-22	0.78
United States Treasury Notes 0.38% 07-15-25	0.78
United States Treasury Notes 0.38% 07-15-27	0.75
United States Treasury Notes 0.5% 01-15-28	0.73

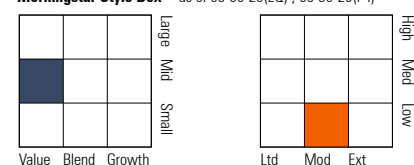
Credit Analysis: % Bonds as of 09-30-20

Rating	Count	Category	%
AAA	55	BB	6
AA	3	B	20
A	1	Below B	5
BBB	2	Not Rated	9

Operations

Gross Prosp Exp Ratio	0.96% of fund assets
Net Prosp Exp Ratio	0.84% of fund assets
Management Fee	0.80%
12b-1 Fee	—
Other Fee	0.00%
Miscellaneous Fee(s)	0.16%
Fund Inception Date	03-16-10
Total Fund Assets (\$mil)	3,044.5
Annual Turnover Ratio %	71.50
Fund Family Name	Principal Funds

Morningstar Style Box™ as of 09-30-20(EQ) ; 09-30-20(F-I)



Morningstar Super Sectors as of 09-30-20

Sector	% Fund
Cyclical	43.34
Sensitive	27.39
Defensive	29.26

Morningstar F-I Sectors as of 09-30-20

Sector	% Fund
Government	38.35
Corporate	18.70
Securitized	5.03
Municipal	0.00
Cash/Cash Equivalents	30.01
Other	7.92

Waiver Data

Expense Ratio	Type	Exp. Date	%
Expense Ratio	Contractual	12-30-21	0.12

Portfolio Manager(s)

Kelly Grossman. Since 2010.
Jessica Bush, CFA. Since 2014.

Advisor	Principal Global Investors, LLC
Subadvisor	Principal Real Estate Investors LLC

Notes

Principal Global Investors, LLC ("PGI"), the investment advisor, has contractually agreed to limit the Funds Management Fees through the period ending December 30, 2020. 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 Funds 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% for Institutional Class shares. It is expected that the expense limits will continue through the period ending December 30, 2020; 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. Subject to applicable expense limits, the Fund may reimburse PGI for expenses incurred during the current fiscal year.