

Principal Global Real Estate Securities Fund - Institutional Class

Category
Global Real Estate

Investment Objective & Strategy

From the investment's prospectus

The investment seeks to generate a total return.

Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of U.S. and non-U.S. companies principally engaged in the real estate industry at the time of purchase. For the fund's investment policies, a real estate company has at least 50% of its assets, income or profits derived from products or services related to the real estate industry.

Past name(s) : Principal Inv Global Real Estate Sec I.

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 | 10.52 | 1.15 | 0.98 |
| 3 Yr Beta | 0.80 | — | 0.95 |

Principal Risks

Currency, Foreign Securities, Loss of Money, Not FDIC Insured, Equity Securities, Industry and Sector Investing, Shareholder Activity, 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 09-30-18



Top 10 Holdings as of 09-30-18

| Top 10 Holdings as of 09-30-18 | % Assets |
|-------------------------------------|----------|
| Simon Property Group Inc | 4.12 |
| Deutsche Wohnen SE | 3.89 |
| Prologis Inc | 3.51 |
| AvalonBay Communities Inc | 3.17 |
| Invitation Homes Inc | 2.58 |
| Mitsui Fudosan Co Ltd | 2.55 |
| Alexandria Real Estate Equities Inc | 2.46 |
| Essex Property Trust Inc | 2.42 |
| Welltower Inc | 2.34 |
| Segro PLC | 2.30 |

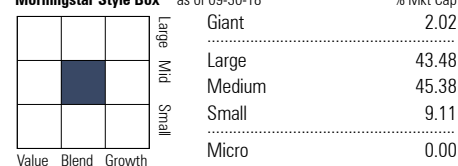
Morningstar Super Sectors as of 09-30-18

| Morningstar Super Sectors as of 09-30-18 | % Fund |
|--|--------|
| Cyclical | 97.53 |
| Sensitive | 2.48 |
| Defensive | 0.00 |

Operations

| | |
|---------------------------|----------------------|
| Gross Prosp Exp Ratio | 0.96% of fund assets |
| Net Prosp Exp Ratio | 0.94% of fund assets |
| Management Fee | 0.87% |
| 12b-1 Fee | — |
| Other Fee | 0.00% |
| Miscellaneous Fee(s) | 0.09% |
| Fund Inception Date | 10-01-07 |
| Total Fund Assets (\$mil) | 3,259.3 |
| Annual Turnover Ratio % | 67.30 |
| Fund Family Name | Principal Funds |

Morningstar Style Box™ as of 09-30-18



Morningstar World Regions as of 09-30-18

| Morningstar World Regions as of 09-30-18 | % Fund |
|--|--------|
| Americas | 54.00 |
| North America | 53.46 |
| Latin America | 0.54 |
| Greater Europe | 20.56 |
| United Kingdom | 4.91 |
| Europe Developed | 15.66 |
| Europe Emerging | 0.00 |
| Africa/Middle East | 0.00 |
| Greater Asia | 25.44 |
| Japan | 12.06 |
| Australasia | 5.22 |
| Asia Developed | 8.16 |
| Asia Emerging | 0.00 |

| Waiver Data | Type | Exp. Date | % |
|---------------|-------------|-----------|------|
| Expense Ratio | Contractual | 02-28-19 | 0.02 |

Portfolio Manager(s)

Simon Hedger, Since 2007.
Kelly Rush, CFA, Since 2007.

| | |
|------------|-------------------------------------|
| 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 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 0.94%. It is expected that the expense limits will continue through the period ending February 28, 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.