

# Principal® Equity Income Fund as of 03/31/2021

A Shares: **PQIAX** C Shares: **PEUCX**

## Investment Strategy

The investment seeks to provide current income and long-term growth of income and capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in dividend-paying equity securities at the time of purchase. It usually invests in equity securities of companies with large and medium market capitalizations. The fund invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued.

## Portfolio Managers

### Daniel R. Coleman

Since 05/19/2010, M.B.A., New York University

### Nedret Vidinli, CFA

Since 03/01/2017, M.B.A., Benedictine University

### Sarah E. Radecki, CFA

Since 01/05/2021, M.A., University of California-Santa Barbara



## Morningstar Category & Style Box™

as of 02/28/2021

Category: Large Value

Style			Capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

### Not FDIC or NCUA Insured

May Lose Value • Not a Deposit • No Bank or Credit Union Guarantee  
Not Insured by any Federal Government Agency

## Average Annual Total Returns<sup>1</sup> as of 03/31/2021

	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Equity Income Fund (A)</b>						
Excluding Sales Charge	7.40%	52.94%	12.35%	13.40%	11.38%	8.97%
Including Sales Charge	1.48%	44.52%	10.26%	12.12%	10.76%	8.90%
Morningstar Percentile Rankings	—	59	22	17	24	—
Number of Funds in Category	1229	1209	1138	1007	729	—
<b>Equity Income Fund (C)</b>						
Excluding Sales Charge	7.16%	51.80%	11.51%	12.55%	10.56%	8.22%
Including Sales Charge	6.16%	50.80%	11.51%	12.55%	10.56%	8.22%

Investment results shown represent historical performance and do not guarantee future results. Your investment's returns and principal values will fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance shown. For more information, including the most recent month-end performance, visit [principalfunds.com](http://principalfunds.com), call your financial professional, or call 800-222-5852. A sales charge may apply as follows: Class A shares: maximum up-front sales charge of 5.50% and Class C shares: contingent deferred sales charge of 1% on redemptions made during the first 12 months. See the prospectus for details. Performance listed with sales charge reflects the maximum sales charge.

Where gross and net expense ratios differ, the investment adviser has contractually agreed to limit the investment option's expenses. Differences also may be due to the investment adviser's decision to pay (through the same dates) certain expenses that would normally be payable by the fund.

Morningstar percentile rankings are based on total returns and do not reflect the inclusion of sales charges. If sales charges were reflected, rankings could be lower.

Returns shown for less than one year are not annualized.

## Operations

Total Net Assets (mil.)	\$10,469.24
Class A Inception Date	05/31/1939
Class C Inception Date	03/01/2002
Extended Performance Inception Date	05/31/1939

## Total Investment Expense

	Gross Expense Ratio	Net Expense Ratio	Expiration Date	
			Contractual Cap	Waiver
Class A	0.88%	0.88%	N/A	N/A
Class C	1.63%	1.63%	N/A	N/A

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Total Returns <sup>1,2</sup> (Calendar Year)	5.07%	12.47%	26.68%	12.25%	-4.26%	15.15%	20.54%	-5.38%	28.43%	6.17%

<sup>1</sup> Performance assumes reinvestment of all dividends and capital gains. Extended performance is calculated based on the historical performance of the fund's oldest share class, adjusted for the fees and expenses of the share class shown. Periods of less than one year are not annualized. Morningstar percentile rankings are based on total returns and do not reflect the inclusion of sales charges. If sales charges were reflected, rankings could be lower.

<sup>2</sup> The annual total returns shown above represent performance for Class A shares (not adjusted for sales charge) and any extended annual performance is based on the fund's oldest share class (not adjusted for sales charge). Annual total returns for other share classes will differ.

**Portfolio information** as of 02/28/2021

**Analysis**

Number of Holdings	64
Turnover Ratio	17%
P/E Ratio	17.99

*Turnover is calculated semi-annually; reflects most recent available calculation.*

**Top Ten Holdings**

% of  
Net Assets

1. Deere & Co	3.40
2. JPMorgan Chase & Co	3.09
3. Parker Hannifin Corp	2.88
4. BlackRock Inc	2.75
5. Abbott Laboratories	2.65
6. KKR & Co Inc Ordinary Shares	2.54
7. Magna International Inc Class A	2.53
8. First Republic Bank	2.51
9. PACCAR Inc	2.43
10. Costco Wholesale Corp	2.23
% of net assets in top ten holdings*	27.01

\*Values may exceed 100% if both long and short positions are included in the portfolio.

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	83.61	0.00	83.61
	Non-U.S. Stocks	13.70	0.00	13.70
	Cash	2.69	0.00	2.69

**Stock Sector Breakdown** as of 02/28/2021

<b>Cyclical</b>	<b>38.07%</b>	<b>Defensive</b>	<b>25.40%</b>
Real Estate	3.98	Utilities	4.91
Financial Svcs	22.30	Healthcare	12.60
Consumer Cyclical	7.34	Consumer Defensive	7.89
Basic Materials	4.45		
<b>Sensitive</b>	<b>36.54%</b>		
Energy	5.56		
Comm Svcs	7.39		
Industrials	14.15		
Technology	9.44		

The Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit [principalfunds.com](http://principalfunds.com).

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**Alpha:** The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta:** An investment's sensitivity to market movements. **R-Squared:** Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation:** Measures how much an investment's returns are likely to fluctuate.

Web Site: [principalfunds.com](http://principalfunds.com)

Carefully consider a fund's objectives, risks, charges, and expenses. Contact your financial professional or visit [principalfunds.com](http://principalfunds.com) for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.

Investing involves risk, including possible loss of principal.

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**Risk & Return Statistics** as of 03/31/2021

**Class A Shares**

Relative to Russell 1000 Value Index

	<b>3-Year</b>	<b>5-Year</b>
Alpha	1.91	2.35
Beta	0.91	0.91
R-Squared	97.97	96.70
Standard Deviation	18.42	14.85

Risk and return statistical data is calculated by Morningstar, Inc.