

Principal® SmallCapFund as of 09/30/2021

A Shares: **PLLAX** C Shares: **PSMCX**

Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. The managers seek to invest in securities of companies that they believe have improving and sustainable business fundamentals, rising investor expectations, and attractive relative valuations.

Portfolio Managers

Phil Nordhus, CFA

Since 05/19/2006, M.B.A., Drake University

Brian W. Pattinson, CFA

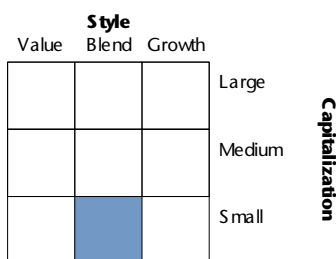
Since 07/20/2011, M.B.A., University of Iowa



Morningstar Category & Style Box™

as of 08/31/2021

Category: Small Blend



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 Returns¹ as of 09/30/2021

	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Inception
SmallCapFund (A)						
Excluding Sales Charge	16.75%	46.77%	12.78%	14.32%	15.85%	9.40%
Including Sales Charge	10.31%	38.68%	10.67%	13.04%	15.20%	9.10%
Morningstar Percentile Rankings	–	71	11	10	4	–
Number of Funds in Category	644	641	603	525	360	–
SmallCapFund (C)						
Excluding Sales Charge	16.02%	45.60%	11.84%	13.38%	15.12%	8.85%
Including Sales Charge	15.02%	44.60%	11.84%	13.38%	15.12%	8.85%

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, 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.

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.

Gross Expense Ratio is the current maximum expense ratio, as a percentage of assets that can be applied to this investment option. Net Expense Ratio represents the gross expense ratio less any fee waivers, reimbursements or caps, if applicable. The expense ratio, as a percentage of net assets, includes operating expenses, management fees, including 12b-1 fees, and administrative fees. When gross and net expense ratios differ, the investment adviser may have agreed to waive certain expenses that would normally be payable by the fund (through the noted dates) or contractually agreed to limit the investment option's expenses.

Operations

Total Net Assets (mil.)	\$1,409.50
Class A Inception Date	06/28/2005
Class C Inception Date	01/16/2007
Extended Performance Inception Date	12/06/2000

Total Investment Expense

	Gross Expense Ratio	Net Expense Ratio	Expiration Date	
			Contractual Cap	Waiver
Class A	1.18%	1.18%	N/A	N/A
Class C	2.03%	2.03%	N/A	N/A

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Total Returns ^{1,2} (Calendar Year)	-2.17%	14.14%	47.50%	4.51%	-0.48%	16.79%	12.41%	-11.00%	27.07%	21.63%

¹ 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.

² 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.

The full name of this investment option is Principal SmallCap Fund (A).

Portfolio information as of 08/31/2021

Analysis

Number of Holdings	168
Turnover Ratio	42%
P/E Ratio	15.68

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

Top Ten Holdings

	% of Net Assets
1. Principal Government Money Market Instl	3.41
2. Sprout Social Inc Class A	1.97
3. SiTime Corp Ordinary Shares	1.84
4. Darling Ingredients Inc	1.57
5. Caesars Entertainment Inc	1.49
6. Atkore Inc	1.35
7. Manhattan Associates Inc	1.25
8. Natera Inc	1.24
9. Stifel Financial Corp	1.20
10. Agree Realty Corp	1.19
% of net assets in top ten holdings*	16.53

*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	94.48	0.00	94.48
	Cash	3.32	0.09	3.41
	Non-U.S. Stocks	2.20	0.00	2.20

Stock Sector Breakdown as of 08/31/2021

Cyclical	38.06%	Defensive	25.39%
Real Estate	5.85	Utilities	2.80
Financial Svcs	15.06	Healthcare	17.48
Consumer Cyclical	15.09	Consumer Defensive	5.11
Basic Materials	2.06		
Sensitive	36.55%		
Energy	2.13		
Comm Svcs	0.52		
Industrials	15.38		
Technology	18.52		

Risk & Return Statistics as of 09/30/2021

Class A Shares

Relative to Russell 2000 Index

	3-Year	5-Year
Alpha	2.14	0.94
Beta	1.00	0.99
R-Squared	97.51	97.13
Standard Deviation	26.04	21.25

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

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.

Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.

Small-cap and mid-cap stocks may have additional risks, including greater price volatility.

Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 10% of the Russell 3000 total market capitalization.

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

Carefully consider a fund's objectives, risks, charges, and expenses. Contact your financial professional or visit 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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