

Principal Diversified International Fund

Fourth quarter 2022

Fund overview

The Fund seeks long-term capital growth by investing in equity securities of large-, medium-, and select small-capitalization companies primarily domiciled outside of the U.S.

Ticker

Class I: PIIIX Class R6: PDIFX
Class A: PRWLX

Portfolio management

Paul Blankenhagen, CFA

31 years of experience

Juliet Cohn

41 years of experience

Fund information

	Fund	Index
Fund AUM	\$4.4B	—
Number of holdings	147	2,261
Active share	72.7%	—
Market cap ¹	\$50.0B	\$39.7B
Earnings growth ²	15.7%	10.0%
Earnings revision ³	29.8%	11.4%
Price/earnings (FY1) ⁴	16.6x	14.8x
Return on equity (last 12 months)	16.9%	13.9%

Source: FactSet

¹ Weighted median

² Average of trailing one-year and forward one-year earnings per share (EPS growth)

³ Percentage of companies with positive EPS revisions less percentage with negative EPS revisions

⁴ Forward one-year price/earnings estimates

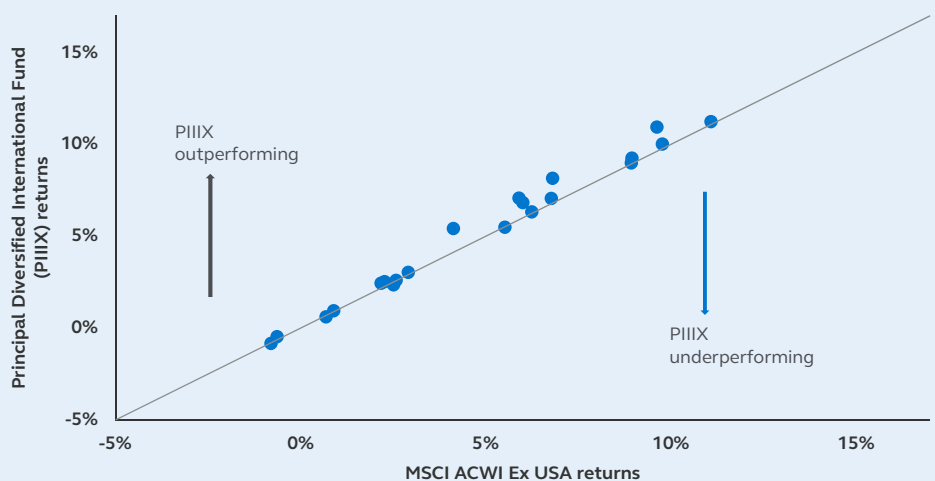
Active share: Measures how much different portfolio weights in securities are from benchmark weights. The higher the active share, the more the portfolio differs from the benchmark.

Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

Early movers on underappreciated opportunities

- Investing in businesses we believe are becoming better as a result of positive change: innovators, renovators, and pacesetters.
- Identifying potential underappreciated growth and improvement opportunities ahead of the market.
- An experienced team powered by perspective and precision. The portfolio managers have co-managed strategies since 2004.

Performance versus the index Rolling 5-year return, plotted quarterly



01/01/2013 - 12/31/2022

Source: Morningstar

The diagonal line represents zero excess returns (where the fund and index returns are equal). Data points above the line represent outperformance of the fund vs. the index. Data points below the line represent underperformance of the fund vs. the index.

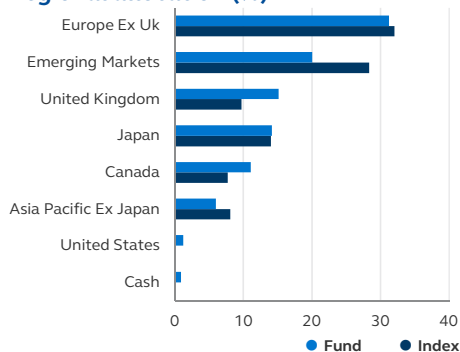
Why allocate to a portfolio:

- Compelling growth and value characteristics for investors seeking core international equity exposure diversified across sectors and regions
- Seeks to isolate stock selection as the key driver of results, while avoiding unrewarded risks

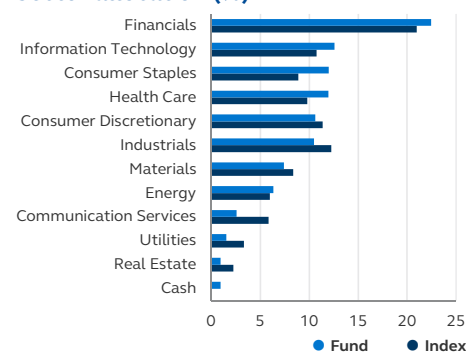
Top 10 holdings⁵

	% of net assets
Novo Nordisk A/S	2.7
Taiwan Semiconductor Manufacturing Co Ltd	2.4
AstraZeneca PLC	2.1
Nestle SA	2.1
ASML Holding NV	2.0
Samsung Electronics Co Ltd	1.8
3i Group PLC	1.6
LVMH Moët Hennessy Louis Vuitton SE	1.6
ICICI Bank Ltd	1.5
Unilever PLC	1.5
Total	19.3

⁵ The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

Regional allocation (%)⁶

⁶ Source: FactSet. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash.

Sector allocation (%)⁶

Performance, rankings, & ratings

	Average annual total returns (%)									
	3-month	1-year	3-year	5-year	10-year	Since inception ¹² (03/01/2001)	Expense ratio ¹³ (net/gross)	Expense limit expiration date		
Class I ⁷	12.59	-19.82	1.01	0.94	4.48	4.13	0.85/0.86	02/28/2023		
MSCI ACWI Ex USA Index ^{8,9}	14.28	-16.00	0.07	0.88	3.80	4.27	—	—		
Morningstar Category Average	15.95	-15.84	0.55	1.15	4.26	—	—	—		
Morningstar rankings and ratings										
Category and number of funds in category: Foreign Large Blend	771	744	704	611	422	—	—	—		
Class I percentile rankings ¹⁰	—	89	38	61	39	—	—	—		
Class I ratings ¹¹	—	—	★★★★	★★★	★★★	Overall ★★★	—	—		
Calendar year returns (%)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class I ⁷	18.73	-3.02	-0.36	0.26	28.67	-17.31	22.93	17.31	9.57	-19.82
MSCI ACWI Ex USA Index ^{8,9}	15.29	-3.87	-5.66	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00
Morningstar Category Average	19.44	-4.98	-1.59	0.79	25.12	-14.59	21.59	9.30	9.72	-15.84

Morningstar percentile rankings are based on total returns. Morningstar ratings are based on risk-adjusted returns.

Returns represent past performance and do not guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For the most recent month-end performance, visit www.PrincipalAM.com/mutual.

⁷ Performance assumes reinvestment of all dividends and capital gains.

⁸ MSCI ACWI Ex USA Index is a free float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the US.

⁹ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

¹⁰ 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.

¹¹ The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar ratings do not reflect the inclusion of sales charges. If sales charges were reflected, ratings could be lower.

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¹² Class I shares were first sold on 03/01/2001. Returns for these shares prior to those dates, including since inception performance, are based on performance of R3 shares adjusted to reflect the fees and expenses of these shares. R3 shares were first sold on 12/06/2000.

¹³ The net expense ratio reflects contractual expense limits, if any, which may lower net expenses and cause the gross and net expense ratios to differ. In such cases a date is listed through which expense limits are expected to apply; however, Principal Funds and the investment adviser may mutually agree to terminate the expense limits prior to the end of the period. Returns displayed are based on net total investment expense.

Returns shown for periods of less than one year are not annualized.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. Risk is magnified in emerging markets, which may lack established legal, political, business or social structures to support securities markets.

Class I shares are available only to eligible investors, including various institutional investors and investors in certain mutual fund wrap or asset allocation programs. See the prospectus for eligibility requirements.

Carefully consider a fund's objectives, risks, charges, and expenses. Contact your financial professional or visit www.PrincipalAM.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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MM7747-28 | 01/2023 | 2658254-052023

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