INVESTMENT AND INSURANCE PRODUCTS: NOT FDIC INSURED • NOT A BANK DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NO BANK GUARANTEE • MAY LOSE VALUE

Principal Asset Management℠

# Principal Equity Income Fund

**Second quarter 2026**

## Fund overview

The Fund seeks a relatively high level of current income along with long-term growth of income and capital appreciation by investing primarily in dividend paying stocks of U.S. large-cap companies.

## Ticker

**Class I: PEIIX** Class C: PEUCX

Class A: PQIAX

## Portfolio management

**Daniel R. Coleman**
47 years of experience

**Sarah E. Radecki, CFA**
30 years of experience

**Nedret E. Vidinli, CFA**
30 years of experience

## Fund information

| | Fund | Index |
|---|---|---|
| Fund AUM | $7.8B | — |
| Number of holdings | 57 | 870 |
| Active share | 76.7% | — |
| Market Cap[1] | $630.0B | $686.1B |
| Turnover[2] | 9.3% | — |
| Sharpe ratio (3-year) | 0.9 | 1.0 |

Source: FactSet and Morningstar

[1] Weighted average

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

**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. **Sharpe ratio:** Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance.

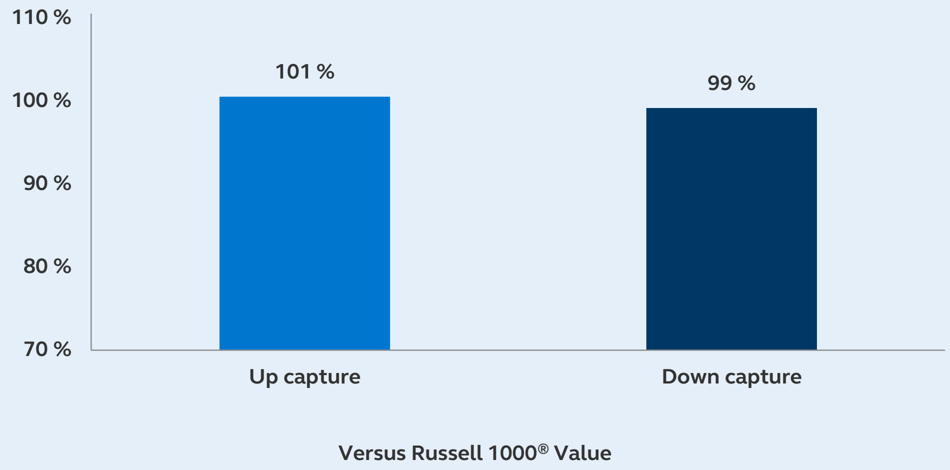
Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

## Dividends are the hallmark of great companies

- **Growers, not just payers.** Dividend growers and payers have historically had higher returns with less risk than non-dividend paying stocks.[3]
- **Powered by great companies.** A quality-first mentality removes subpar operators, helping to avoid value traps.
- **Sector neutral to help mitigate risk.** We are focused on selecting great companies, not timing sectors.

## Performance versus the index

**Capture ratios - 10-year**




07/01/2016- 06/30/2026. Source: Morningstar. Capture ratios: Shows the relationship of the fund's performance to the performance of an index during a specific timeframe, as a percentage of that index's positive (upside capture) and negative (downside capture) performance. Represents quarterly returns for both fund and index returns. Chart reflects performance of the institutional share class of the fund. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

## Why allocate to a portfolio:

- **Dividends matter.** Dividends help provide downside risk mitigation and are an important part of total return, especially in low growth environments.
- **Quality is market cycle tested.** Companies with competitive advantages, strong management teams, and a commitment to shareholder returns have proven resilient when market cycles transition and interest rates rise.
- **Patience rewarded.** The strategy has outperformed the index over the past ten-year period (as of 06/30/2026; see performance tables on back for further information).

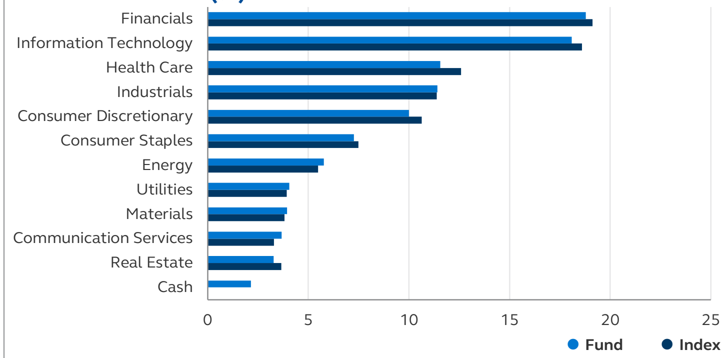
[3] Source: Ned Davis Research, Inc. (12/31/1984-06/30/2026). Dividends are not guaranteed. Past performance does not guarantee future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

## Top 10 holdings[4]

| | % of net assets |
|---|---|
| Apple Inc | 4.4 |
| Taiwan Semiconductor Manufactu | 4.0 |
| JPMorgan Chase & Co | 3.0 |
| Morgan Stanley | 2.9 |
| Microsoft Corp | 2.8 |
| Costco Wholesale Corp | 2.8 |
| DR Horton Inc | 2.8 |
| Chubb Ltd | 2.8 |
| Coca-Cola Co/The | 2.7 |
| PNC Financial Services Group I | 2.7 |
| **Total** | **30.9** |

[4] 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.

## Sector allocation (%)[5]




[5] 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.

## Performance, rankings, & ratings

| | Average annual total returns (%) | | | | | | | | | Yields (%)[13] | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3-month | Year-to-date | 1-year | 3-year | 5-year | 10-year | Since inception[11] (08/01/2000) | Expense ratio[12] (net/gross) | Expense limit expiration date | 30-Day SEC (Unsubsidized/ subsidized) | 12-month distribution |
| Class I[6] | 7.89 | 9.89 | 20.23 | 16.14 | 9.44 | 11.71 | 9.14 | 0.52/0.54 | 02/28/2027 | 1.16/1.19 | 1.48 |
| Russell 1000® Value Index[7,8] | 13.87 | 16.26 | 27.12 | 17.79 | 11.17 | 11.52 | – | – | – | – | – |
| Morningstar Category Average | 9.64 | 11.30 | 21.21 | 16.13 | 10.48 | 11.47 | – | – | – | – | – |
| Morningstar rankings and ratings | 3-month | Year-to-date | 1-year | 3-year | 5-year | 10-year | Overall | | | | |
| Category and number of funds in category: Large Value | 1141 | 1132 | 1106 | 1054 | 991 | 830 | 1054 | | | | |
| Class I percentile rankings[9] | – | – | 57 | 48 | 75 | 45 | – | | | | |
| Class I ratings[10] | – | – | – | ★★★ | ★★ | ★★★ | ★★★ | | | | |

| Calendar year returns (%) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Class I[6] | 15.58 | 21.03 | -5.06 | 28.95 | 6.54 | 22.33 | -10.51 | 11.11 | 15.46 | 15.60 |
| Russell 1000® Value Index[7,8] | 17.34 | 13.66 | -8.27 | 26.54 | 2.80 | 25.16 | -7.54 | 11.46 | 14.37 | 15.91 |
| Morningstar Category Average | 14.81 | 15.94 | -8.53 | 25.04 | 2.91 | 26.22 | -5.90 | 11.63 | 14.28 | 14.97 |

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.**

[6] Performance assumes reinvestment of all dividends and capital gains.

[7] 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.

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

[9] 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.

[10] 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.

[11] Class I shares were first sold 08/01/2000. Returns for Class I shares prior to 08/01/2000, are based on performance of A shares adjusted to reflect the fees and expense of these shares. A shares were first sold on 05/31/1939.

[12] 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.

[13] 30-Day SEC yield represents net investment income earned by a fund over a 30-day period, stated as an annual percentage. Unsubsidized yield reflects the SEC yield when some fund expenses are not waived. Subsidized yield reflects a fund's yield when all expense waivers are included. 12-month yield is based on actual distributions paid over a trailing 12-month period, stated as an annual percentage.



Returns shown for periods of less than one year are not annualized.Equity investments involve greater risk, including heightened volatility, than fixed income investments.  Companies may at any time choose not to pay a dividend, or dividends paid may be less than anticipated.

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.

**Not authorized for distribution unless preceded or accompanied by a current prospectus, or a summary prospectus if available, that includes information about the Fund’s objectives, risks, charges and expenses. Please read it carefully before investing.**

Investing involves risk, including possible loss of principal.
Principal Funds are distributed by Principal Funds Distributor, Inc.

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