

Principal Capital Appreciation Fund

First quarter 2024

Fund overview

The Fund seeks long-term growth of capital by investing in common stocks.

Morningstar overall rating:

★★★★★

Overall Morningstar Rating™ as of 3/31/2024 among 1,293 Large Blend Funds.

Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

Ticker

Class I: PWCIX

Class A: CMNWX

Portfolio management

Daniel R. Coleman

44 years of experience

Theodore B. Jayne, CFA

25 years of experience

Fund information

	Fund	Index
Fund AUM	\$4.4B	-
Number of holdings	96	2,947
Active share	56.69%	—
Market Cap ¹	\$723.2B	\$696.8B
Sharpe ratio (3-year)	0.6	0.5

Source: FactSet and Morningstar

¹ Weighted average

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.

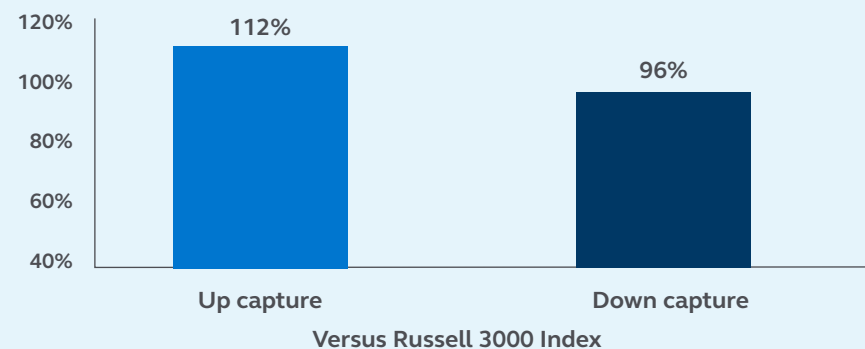
Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

High-quality core U.S. equity allocation aiming to consistently outperform the market

- **Powered by great companies.** Quality first mentality with a focus on strong free cash flow generation helps eliminate subpar operators and value traps.
- **Exposure to proven winners and up-and-comers.** Seeking top investment ideas across the size and style spectrum.
- **Sector neutral to help mitigate risk.** We are focused on selecting great companies, not timing sectors.

Performance versus the index

PWCIX capture ratios - since inception



06/07/1999-3/31/2024. 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 indexes positive (upside capture) and negative (downside capture) performance. Represents quarterly returns for both fund and index returns. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

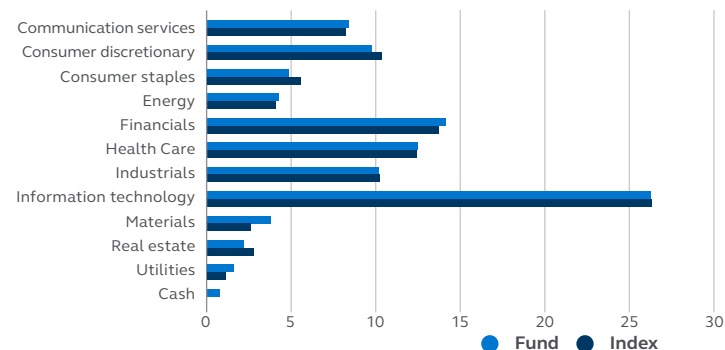
Why allocate to a portfolio:

- **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.
- **Active management with alpha potential.** Skilled active managers can better navigate market challenges and mitigate downside risk.
- **Simple implementation.** Core U.S. equity allocation without having to make timing bets between value and growth styles.

Top 10 holdings²

	% of net assets
Microsoft Corp	6.3
Apple Inc	4.6
NVIDIA Corp	4.1
Alphabet Inc - A Shares	3.3
Amazon.com Inc	3.3
Broadcom Inc	2.9
JPMorgan Chase & Co	2.6
Visa Inc	2.4
Meta Platforms Inc	2.4
Merck & Co Inc	1.8
Total	33.6

²The 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 (%)³

³Source: 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 (%)							Expense ratio ⁹ (net/gross)	Expense limit expiration date	
	3-month	1-year	3-year	5-year	10-year	Since inception 06/07/1999				
Class I ⁴	12.04	32.66	12.97	15.96	13.16	12.90	0.46/0.46	—		
Russell 3000 Index ^{5,6}	10.02	29.29	9.78	14.34	12.33	—	—	—		
Morningstar Category Average	9.95	27.24	9.88	13.65	11.45	—	—	—		
Morningstar rankings and ratings										
	3-month	1-year	3-year	5-year	10-year	Overall				
Category and number of funds in category: Large Blend	1,482	1,422	1,293	1,179	888	1,293	—	—	—	
Class I percentile rankings ⁷	—	14	5	8	6	—	—	—	—	
Class I ratings ⁸	—	—	★★★★★	★★★★★	★★★★★	★★★★★	—	—	—	
Calendar year returns										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class I ⁴	12.70	2.41	9.25	21.07	-3.15	32.69	18.81	27.95	-16.12	25.42
Russell 3000 Index ^{5,6}	12.56	0.48	12.74	21.13	-5.24	31.02	20.89	25.66	-19.21	25.96
Morningstar Category Average	10.96	-1.07	10.37	20.44	-6.27	28.78	15.83	26.07	-16.96	22.32

Morningstar percentile ranks 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 <http://www.PrincipalAM.com>.

⁴ Performance assumes reinvestment of all dividends and capital gains.

⁵ The Russell 3000 Index is constructed to provide a comprehensive barometer of the broad market and accounts for nearly 98% of the total value of all equity traded on the U.S. exchanges. It measures the stocks that are also members of either the Russell 1000 or the Russell 2000 indexes.

⁶ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

⁷ 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.

⁸ 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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⁹ 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.

Equity investments involve greater risk, including higher volatility, than fixed-income investments.

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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