Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ **See separate instructions.**

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name Principal Funds, Inc. - Edge MidCap Fund	**2 Issuer's employer identification number (EIN)** XX-XXX5545

3 Name of contact for additional information Principal Funds	**4** Telephone No. of contact 1-800-222-5852	**5** Email address of contact investorcontact@principalfunds.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 219971	**7** City, town, or post office, state, and ZIP code of contact Kansas City, MO 64121-9971

8 Date of action See Attachment	**9** Classification and description See Attachment

10 CUSIP number See Attachment	**11** Serial number(s)	**12** Ticker symbol See Attachment	**13** Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See Attachment

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See Attachment

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

The non-taxable acquisition was determined in accordance with sections 354, 357, 358, 361, 362, 368, 381, 851-855, 1032 and 1223 of the Internal Revenue Code.

18 Can any resulting loss be recognized? ▶ See Attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Signed copy maintained in taxpayer's records. Date ▶ 10/23/2025

Print your name ▶ Tara Parks Title ▶ VP & Assistant Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Principal Funds, Inc. – Edge MidCap Fund
EIN: XX-XXX5545
Attachment to Form 8937, Report of Organizational Action Affecting Cost Basis
September 19, 2025

This notice is provided to inform shareholders of Principal Funds, Inc. – Edge MidCap Fund of an action that affects your cost basis of shares owned on September 19, 2025.

Effective 9/19/2025, Principal Funds, Inc. – MidCap Fund acquired all of the assets and assumed all of the liabilities of Principal Funds, Inc. – Edge MidCap Fund. Each shareholder of Principal Funds, Inc. – Edge MidCap Fund will, as a result of the acquisition, own shares of Principal Funds, Inc. – MidCap Fund of equal value and will recognize no gain or loss from the exchange of shares. The acquisition was accomplished by a tax-free exchange of each respective class of shares at an exchange rate shown in the table below.

Principal Funds, Inc. – Edge MidCap Fund Acquisition Tax-Free Exchange Rate

Class of Common Shares (Form 8937, Box 9)	CUSIP (Form 8937, Box 10)	Ticker Symbol (Form 8937, Box 12)	Edge MidCap Fund 9/19/25 NAV Per Share	MidCap Fund 9/19/25 NAV Per Share	Tax-Free Exchange Rate
Class A	74257B308	PEMCX	10.6237	45.5417	0.2333
Institutional	742537426	PEDGX	10.7270	47.7072	0.2249
R-6	74256W527	PEDMX	10.8011	47.7945	0.2260

NAV=net asset value

The acquisition did not impact your overall cost basis, but does change your cost basis per share. To compute your shares owned of Princial Funds, Inc. - MidCap Fund after the acquisition, multiply shares owned of Principal Funds, Inc. – Edge MidCap Fund on September 19, 2025 times the tax-free exchange rate. To compute your new cost basis per share, divide your cost basis by the tax-free exchange rate.

Example of shareholder XYZ

Edge MidCap Fund - Class I Shares Owned by Shareholder XYZ Immediately Prior to Acquisition	Shareholder XYZ's Cost Basis Per Share of Edge MidCap Fund Class I Shares Owned	Shareholder XYZ's Total Cost Basis of Edge MidCap Fund -Class I Shares Owned	MidCap Fund– Class I Shares Owned by Shareholder XYZ Immediately After the Acquisition	Shareholder XYZ's Cost Basis Per Share of MidCap Fund - Class I Shares Owned	Shareholder XYZ's Total Cost Basis of MidCap Fund – Class I Shares Owned
10 Shares	$8	$80 (10*$8)	2.249 shares (10*0.2249)	$35.57($8/0.2249)	$80(2.249*$35.57)

This information is being provided pursuant to Internal Revenue Code Section 6045B(e), as amended. The information in this notice is also reported to the IRS.

Direct questions regarding this notice to:	Principal Funds P. O. Box 219971 Kansas City, MO 64121-9971 Phone: 1.800.222.5852 Email: investorcontact@principalfunds.com Website: https://www.principalfunds.com/customer-support/contact-us

The tax information contained herein is provided for informational purposes only and should not be construed as legal or tax advice.