

Principal Funds, Inc. 2024 Tax Reporting Supplement

The enclosed information is provided to assist shareholders in preparing their 2024 tax returns. The information contained herein should not be deemed to be tax advice. Due to the many differences in state and local regulations, shareholders should consult their tax advisors regarding this information. If you have questions concerning the information we have furnished, please call us at 1-800-222-5852.

Government Obligations Percentage

A portion of the dividends paid by the following funds during 2024 was derived from investments in obligations of the U.S. government or its agencies. Some of these dividends may be exempt from state and local taxes depending on the tax laws of your individual state or local taxing authority. Some states treat income from federal agency obligations differently than income from direct federal obligations. Please consult your tax advisor to determine which, if any, of the obligations listed below may be exempt from your state income tax.

<u>Fund</u>	<u>Direct Federal Obligations</u>	<u>Indirect Federal Obligations</u>	<u>Repurchase Agreements</u>
Bond Market Index Fund	40.16%	24.63%	1.11%
Capital Securities Fund	0.10%	0.52%	0.36%
Core Fixed Income Fund	18.87%	26.72%	0.48%
Core Plus Bond Fund	3.64%	19.43%	1.07%
Diversified Income Fund	1.43%	4.03%	1.55%
Diversified International Fund	0.15%	0.83%	0.59%
Diversified Real Asset Fund	15.22%	1.77%	1.20%
Edge MidCap Fund	0.65%	3.49%	2.46%
Equity Income Fund	0.34%	1.89%	1.33%
Finisterre Emerging Markets Total Return Bond Fund	0.42%	2.30%	1.63%
Global Emerging Markets Fund	0.47%	2.57%	1.81%
Global Multi-Strategy Fund	7.39%	15.41%	10.86%
Global Sustainable Listed Infrastructure Fund	0.41%	2.21%	1.56%
Government & High Quality Bond Fund	2.68%	72.67%	0.81%
Government Money Market Fund	9.68%	52.42%	36.96%
High Income Fund	0.65%	1.07%	0.75%
High Yield Fund	0.50%	1.17%	0.82%
Inflation Protection Fund	92.34%	0.25%	0.18%
International Equity Index Fund	0.02%	0.12%	0.08%
International Equity Fund	0.09%	0.50%	0.35%
International Small Company Fund	0.09%	0.46%	0.33%
LargeCap Growth Fund I	0.00%	0.00%	2.84%
LargeCap S&P 500 Index Fund	0.68%	3.68%	2.59%
LargeCap Value Fund III	0.53%	2.82%	1.99%
MidCap Fund	0.04%	0.24%	0.17%
MidCap Growth Fund III	0.00%	0.00%	1.03%
MidCap S&P 400 Index Fund	0.30%	1.62%	1.14%
MidCap Value Fund I	0.23%	1.21%	0.85%
Money Market Fund	1.56%	0.00%	14.55%
Origin Emerging Markets Fund	0.08%	0.41%	0.30%
Overseas Fund	0.16%	0.89%	0.62%
Principal Capital Appreciation Fund	0.42%	2.32%	1.64%
Principal LifeTime 2015 Fund	14.20%	11.10%	0.87%
Principal LifeTime 2020 Fund	13.60%	10.99%	0.85%
Principal LifeTime 2025 Fund	13.15%	11.08%	0.82%
Principal LifeTime 2030 Fund	12.23%	11.65%	0.73%
Principal LifeTime 2035 Fund	7.38%	10.91%	0.76%
Principal LifeTime 2040 Fund	5.22%	8.02%	0.86%
Principal LifeTime 2045 Fund	3.11%	5.13%	0.91%
Principal LifeTime 2050 Fund	1.30%	2.72%	1.00%
Principal LifeTime 2055 Fund	1.13%	2.45%	0.96%
Principal LifeTime 2060 Fund	1.12%	2.43%	0.96%
Principal LifeTime 2065 Fund	0.99%	2.21%	0.89%
Principal LifeTime 2070 Fund	0.69%	1.64%	0.73%
Principal LifeTime Hybrid 2015 Fund	21.91%	10.12%	1.15%
Principal LifeTime Hybrid 2020 Fund	20.60%	9.78%	1.18%
Principal LifeTime Hybrid 2025 Fund	20.20%	9.95%	1.17%
Principal LifeTime Hybrid 2030 Fund	18.60%	9.68%	1.15%
Principal LifeTime Hybrid 2035 Fund	14.77%	10.06%	1.22%
Principal LifeTime Hybrid 2040 Fund	10.00%	7.40%	1.29%
Principal LifeTime Hybrid 2045 Fund	6.10%	5.22%	1.35%
Principal LifeTime Hybrid 2050 Fund	2.59%	3.29%	1.42%
Principal LifeTime Hybrid 2055 Fund	2.17%	3.03%	1.40%
Principal LifeTime Hybrid 2060 Fund	2.18%	3.03%	1.40%
Principal LifeTime Hybrid 2065 Fund	2.21%	3.04%	1.40%
Principal LifeTime Hybrid 2070 Fund	2.05%	2.80%	1.28%
Principal LifeTime Hybrid Income Fund	22.31%	10.32%	1.18%
Principal LifeTime Strategic Income Fund	14.46%	11.16%	0.88%
SAM Balanced Portfolio	9.32%	9.29%	1.15%
SAM Conservative Balanced Portfolio	14.75%	14.02%	1.13%
SAM Conservative Growth Portfolio	6.02%	7.07%	1.60%
SAM Flexible Income Portfolio	17.33%	16.30%	1.17%
SAM Strategic Growth Portfolio	1.03%	2.11%	1.53%
Short-Term Income Fund	7.32%	2.54%	1.79%
SmallCap Fund	0.27%	1.48%	1.04%
SmallCap Growth Fund I	0.37%	1.98%	1.40%
SmallCap S&P 600 Index Fund	0.47%	2.57%	1.82%
SmallCap Value Fund II	0.27%	1.53%	1.08%
Small-MidCap Dividend Income Fund	0.32%	1.78%	1.25%
Spectrum Preferred and Capital Securities Income Fund	0.08%	0.44%	0.32%

Alternative Minimum Tax

The percentage of exempt interest dividends subject to the federal Alternative Minimum Tax ("AMT") is summarized below. Please consult with your tax advisor to determine if you are subject to AMT.

<u>Fund</u>	<u>AMT</u>
California Municipal Fund	24.89%
Opportunistic Municipal Fund	32.51%
Tax-Exempt Bond Fund	28.19%

Qualified Dividend Income & Dividends Received Deduction

Qualified Dividend Income ("QDI") received and distributed by a fund is eligible to be taxed at lower rates. QDI is generally distributed from domestic corporations and certain qualified foreign corporations that meet certain holding requirements. The ordinary dividends that may qualify for the lower tax rates are shown in Box 1b of Form 1099-DIV. Shareholders must meet the holding period requirement to qualify for the lower ordinary dividend tax rates. To be eligible to treat all or a portion of the fund's dividend as qualified, a shareholder must have held the fund's shares for at least 61 days during the 121-day period surrounding the ex-dividend date. For additional information, see IRS Publication 550 at www.irs.gov.

Dividends Received Deduction ("DRD"). For corporate shareholders, the percentage of ordinary income distributions* for 2024 that qualifies for the DRD are as follows:

<u>Fund</u>	<u>QDI</u>	<u>DRD</u>	<u>Fund</u>	<u>QDI</u>	<u>DRD</u>
Blue Chip Fund	100.00%	100.00%	Principal LifeTime 2020 Fund	16.64%	9.27%
Bond Market Index Fund	0.00%	0.00%	Principal LifeTime 2025 Fund	20.45%	11.38%
California Municipal Fund	0.00%	0.00%	Principal LifeTime 2030 Fund	24.95%	14.07%
Capital Securities Fund	68.00%	37.87%	Principal LifeTime 2035 Fund	31.74%	17.82%
Core Fixed Income Fund	0.00%	0.00%	Principal LifeTime 2040 Fund	43.72%	24.60%
Core Plus Bond Fund	1.21%	1.11%	Principal LifeTime 2045 Fund	52.04%	29.21%
Diversified Income Fund	5.15%	3.19%	Principal LifeTime 2050 Fund	63.60%	35.72%
Diversified International Fund	66.69%	0.53%	Principal LifeTime 2055 Fund	61.19%	34.24%
Diversified Real Asset Fund	56.22%	21.31%	Principal LifeTime 2060 Fund	60.67%	33.94%
Edge MidCap Fund	100.00%	100.00%	Principal LifeTime 2065 Fund	56.85%	31.58%
Equity Income Fund	100.00%	91.77%	Principal LifeTime 2070 Fund	46.52%	25.29%
Finissterre Emerging Markets Total Return Bond Fund	1.98%	0.00%	Principal LifeTime Hybrid 2015 Fund	15.76%	9.38%
Global Emerging Markets Fund	68.30%	0.55%	Principal LifeTime Hybrid 2020 Fund	19.59%	11.65%
Global Multi-Strategy Fund	37.24%	27.39%	Principal LifeTime Hybrid 2025 Fund	23.68%	14.17%
Global Real Estate Securities Fund			Principal LifeTime Hybrid 2030 Fund	29.60%	17.96%
Global Sustainable Listed Infrastructure Fund	88.15%	41.82%	Principal LifeTime Hybrid 2035 Fund	35.09%	21.31%
Government & High Quality Bond Fund	0.00%	0.00%	Principal LifeTime Hybrid 2040 Fund	45.60%	27.77%
Government Money Market Fund	0.00%	0.00%	Principal LifeTime Hybrid 2045 Fund	54.62%	33.27%
High Income Fund	0.08%	0.03%	Principal LifeTime Hybrid 2050 Fund	63.84%	38.92%
High Yield Fund	2.42%	0.81%	Principal LifeTime Hybrid 2055 Fund	63.97%	39.09%
Inflation Protection Fund	0.00%	0.00%	Principal LifeTime Hybrid 2060 Fund	64.39%	39.34%
International Equity Index Fund	85.82%	0.00%	Principal LifeTime Hybrid 2065 Fund	63.78%	39.10%
International Equity Fund	63.04%	0.55%	Principal LifeTime Hybrid 2070 Fund	56.31%	34.72%
International Small Company Fund	68.67%	0.00%	Principal LifeTime Hybrid Income Fund	15.93%	9.54%
LargeCap Growth Fund I	79.12%	75.02%	Principal LifeTime Strategic Income Fund	13.36%	7.36%
LargeCap S&P 500 Index Fund	84.26%	80.96%	Real Estate Securities Fund		
LargeCap Value Fund III	100.00%	100.00%	SAM Balanced Portfolio	44.14%	25.98%
MidCap Fund	100.00%	100.00%	SAM Conservative Balanced Portfolio	28.69%	17.35%
MidCap Growth Fund	0.00%	0.00%	SAM Conservative Growth Portfolio	76.91%	46.00%
MidCap Growth Fund III	18.16%	17.48%	SAM Flexible Income Portfolio	18.64%	11.81%
MidCap S&P 400 Index Fund	37.92%	36.80%	SAM Strategic Growth Portfolio	89.13%	50.49%
MidCap Value Fund I	35.06%	33.41%	Short-Term Income Fund	0.00%	0.00%
Money Market Fund	0.00%	0.00%	SmallCap Fund	89.00%	76.59%
Opportunistic Municipal Fund	0.00%	0.00%	SmallCap Growth Fund I	16.06%	15.31%
Origin Emerging Markets Fund	62.65%	0.00%	SmallCap S&P 600 Index Fund	74.27%	72.05%
Overseas Fund	72.58%	0.00%	SmallCap Value Fund II	44.51%	43.30%
Principal Capital Appreciation Fund	100.00%	100.00%	Small-MidCap Dividend Income Fund	98.77%	94.28%
Principal LifeTime 2015 Fund	13.06%	7.22%	Spectrum Preferred and Capital Securities Inc	78.43%	40.23%
			Tax-Exempt Bond Fund	0.00%	0.00%

* For purposes of calculating DRD, "ordinary income distributions" includes ordinary dividend income distribution, short term capital gains distribution, and the foreign tax paid.

Foreign Tax

Foreign source income is the income earned by a fund from investments in foreign securities. Many countries impose a tax on income earned by investors beyond their borders. These taxes are paid by the funds. For foreign taxes paid, the funds listed below have elected to pass them to shareholders. Accordingly, this permits a shareholder to either take a federal income tax credit or a deduction from gross income. The amount of foreign tax credit that is utilized by a shareholder may be limited due to general credit limitation rules as well as a reduction in foreign source income associated with qualified dividend income. The percentage of the foreign source income that is qualified dividend income is shown in the Qualified Dividends table of this Tax Reporting Supplement. Refer to the IRS Form 1116 instructions for additional information regarding foreign tax credits and please consult with your tax advisor to determine whether it is more beneficial for you to take the credit or deduction.

The information below summarizes the portion of ordinary income distributions that was derived from foreign sources with regard to the applicable fund.

<u>Fund</u>	<u>Distribution Ex- Date</u>	<u>Foreign Source Income</u>	<u>Foreign Taxes Per Share</u>
Diversified International Fund	12/27/2024	61.17%	\$ 0.0221
Finisterre Emerging Markets Total Return Bond Fund	01/26/2024	72.63%	\$ 0.0006
Finisterre Emerging Markets Total Return Bond Fund	02/26/2024	72.63%	\$ 0.0006
Finisterre Emerging Markets Total Return Bond Fund	03/25/2024	72.63%	\$ 0.0005
Finisterre Emerging Markets Total Return Bond Fund	04/25/2024	72.63%	\$ 0.0005
Finisterre Emerging Markets Total Return Bond Fund	05/28/2024	72.63%	\$ 0.0005
Finisterre Emerging Markets Total Return Bond Fund	06/25/2024	72.63%	\$ 0.0004
Finisterre Emerging Markets Total Return Bond Fund	07/26/2024	72.63%	\$ 0.0004
Finisterre Emerging Markets Total Return Bond Fund	08/27/2024	72.63%	\$ 0.0004
Finisterre Emerging Markets Total Return Bond Fund	09/25/2024	72.63%	\$ 0.0004
Finisterre Emerging Markets Total Return Bond Fund	10/28/2024	72.63%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	11/22/2024	72.63%	\$ 0.0005
Finisterre Emerging Markets Total Return Bond Fund	12/27/2024	72.63%	\$ 0.0006
Global Emerging Markets Fund	12/27/2024	45.02%	\$ 0.0173
International Equity Fund	12/27/2024	70.23%	\$ 0.0560
International Equity Index Fund	12/27/2024	75.61%	\$ 0.0046
International Small Company Fund	12/27/2024	57.16%	\$ 0.0272
Origin Emerging Markets Fund	10/18/2024	80.40%	\$ 0.1829
Overseas Fund	12/27/2024	66.64%	\$ 0.0315
Principal LifeTime 2015 Fund	12/31/2024	5.17%	\$ 0.0021
Principal LifeTime 2020 Fund	12/31/2024	6.63%	\$ 0.0036
Principal LifeTime 2025 Fund	12/31/2024	8.37%	\$ 0.0039
Principal LifeTime 2030 Fund	12/31/2024	10.65%	\$ 0.0058
Principal LifeTime 2035 Fund	12/31/2024	13.76%	\$ 0.0060
Principal LifeTime 2040 Fund	12/31/2024	18.68%	\$ 0.0089
Principal LifeTime 2045 Fund	12/31/2024	22.49%	\$ 0.0088
Principal LifeTime 2050 Fund	12/31/2024	27.16%	\$ 0.0114
Principal LifeTime 2055 Fund	12/31/2024	26.50%	\$ 0.0110
Principal LifeTime 2060 Fund	12/31/2024	26.42%	\$ 0.0118
Principal LifeTime 2065 Fund	12/31/2024	24.78%	\$ 0.0096
Principal LifeTime 2070 Fund	12/31/2024	21.01%	\$ 0.0079
Principal LifeTime Hybrid 2015 Fund	12/31/2024	5.10%	\$ 0.0024
Principal LifeTime Hybrid 2020 Fund	12/31/2024	6.34%	\$ 0.0030
Principal LifeTime Hybrid 2025 Fund	12/31/2024	7.79%	\$ 0.0038
Principal LifeTime Hybrid 2030 Fund	12/31/2024	10.11%	\$ 0.0046
Principal LifeTime Hybrid 2035 Fund	12/31/2024	12.01%	\$ 0.0057
Principal LifeTime Hybrid 2040 Fund	12/31/2024	15.57%	\$ 0.0070
Principal LifeTime Hybrid 2045 Fund	12/31/2024	18.59%	\$ 0.0082
Principal LifeTime Hybrid 2050 Fund	12/31/2024	21.68%	\$ 0.0092
Principal LifeTime Hybrid 2055 Fund	12/31/2024	21.60%	\$ 0.0095
Principal LifeTime Hybrid 2060 Fund	12/31/2024	21.66%	\$ 0.0097
Principal LifeTime Hybrid 2065 Fund	12/31/2024	21.61%	\$ 0.0088
Principal LifeTime Hybrid 2070 Fund	12/31/2024	20.14%	\$ 0.0073
Principal LifeTime Hybrid Income Fund	12/31/2024	5.13%	\$ 0.0021
Principal LifeTime Strategic Income Fund	12/31/2024	5.30%	\$ 0.0027
SAM Balanced Portfolio	12/31/2024	14.33%	\$ 0.0060
SAM Conservative Balanced Portfolio	12/31/2024	10.57%	\$ 0.0026
SAM Conservative Growth Portfolio	12/31/2024	21.96%	\$ 0.0092
SAM Flexible Income Portfolio	12/31/2024	10.16%	\$ 0.0012
SAM Strategic Growth Portfolio	12/31/2024	27.28%	\$ 0.0143

Principal Funds, Inc. 2024 Tax Reporting Supplement (continued)

Tax-Exempt Income by State

A portion of the dividends you received in 2024 may be exempt from state and local taxes, depending on the tax laws of your individual state or local taxing authority. For this purpose, a percentage breakdown of income by state or U.S. possession for 2024 is provided below. For shareholders residing in the state of California, payments of exempt interest-dividends on federally tax-exempt, non-California municipal bonds are being reported to the California Franchise Tax Board (FTB) as required under Revenue & Taxation Code (R&TC) Section 18639.

State	California Municipal Fund	Opportunistic Municipal Fund	Tax-Exempt Bond Fund	State	California Municipal Fund	Opportunistic Municipal Fund	Tax-Exempt Bond Fund
Alabama	0.00%	6.97%	4.74%	Nebraska	0.00%	0.00%	0.07%
Alaska	0.00%	0.00%	0.00%	Nevada	0.00%	1.50%	1.66%
Arizona	0.00%	1.62%	1.92%	New Hampshire	0.00%	1.52%	0.82%
Arkansas	0.00%	3.26%	0.24%	New Jersey	0.00%	1.64%	5.65%
California	92.84%	10.52%	12.68%	New Mexico	0.00%	0.00%	0.06%
Colorado	0.00%	3.62%	1.35%	New York	0.00%	13.63%	7.20%
Connecticut	0.00%	1.71%	1.36%	North Carolina	0.00%	0.00%	0.29%
Delaware	0.00%	0.00%	0.03%	North Dakota	0.00%	0.00%	0.00%
District of Columbia	0.00%	0.00%	0.39%	Northern Mariana Islands	0.00%	0.00%	0.00%
Florida	0.00%	9.92%	6.53%	Ohio	0.00%	4.56%	4.48%
Georgia	0.00%	2.97%	4.64%	Oklahoma	0.00%	0.68%	0.00%
Guam	1.87%	0.01%	0.00%	Oregon	0.00%	0.00%	0.36%
Hawaii	0.00%	0.00%	0.00%	Pennsylvania	0.00%	1.67%	5.25%
Idaho	0.00%	0.00%	0.00%	Puerto Rico	4.08%	2.36%	0.42%
Illinois	0.00%	6.92%	11.54%	Rhode Island	0.00%	0.00%	0.00%
Indiana	0.00%	0.58%	0.85%	South Carolina	0.00%	0.14%	0.92%
Iowa	0.00%	0.71%	0.17%	South Dakota	0.00%	0.39%	0.39%
Kansas	0.00%	0.15%	0.00%	Tennessee	0.00%	1.84%	1.10%
Kentucky	0.00%	0.62%	1.68%	Texas	0.00%	4.40%	7.06%
Louisiana	0.00%	4.65%	2.55%	Virgin Islands	1.21%	0.58%	0.00%
Maine	0.00%	0.72%	0.00%	Utah	0.00%	0.75%	1.59%
Maryland	0.00%	0.50%	0.08%	Vermont	0.00%	0.00%	0.00%
Massachusetts	0.00%	0.51%	1.72%	Virginia	0.00%	1.38%	2.71%
Michigan	0.00%	1.66%	2.90%	Washington	0.00%	0.01%	1.05%
Minnesota	0.00%	0.00%	0.31%	West Virginia	0.00%	0.00%	0.16%
Mississippi	0.00%	0.00%	0.06%	Wisconsin	0.00%	2.79%	0.76%
Missouri	0.00%	0.22%	0.68%	Wyoming	0.00%	0.00%	0.00%
Montana	0.00%	2.08%	1.39%	Other	0.00%	0.24%	0.19%

Section 163(j) Interest Dividends

The funds below intend to pass through the maximum amount allowable as Section 163(j) Interest Dividends as defined in "Proposed Treasury Regulation §1.163(j)-1(b)". The 163(j) percentage of ordinary income distributions are as follows:

	<u>163(j) Interest Dividends</u>
Bond Market Index Fund	98.95%
Capital Securities Fund	28.73%
Core Fixed Income Fund	99.79%
Core Plus Bond Fund	98.27%
Diversified Income Fund	88.06%
Diversified International Fund	1.59%
Diversified Real Asset Fund	30.16%
Edge MidCap Fund	6.56%
Equity Income Fund	3.54%
Finisterre Emerging Markets Total Return Bond Fund	100.00%
Global Emerging Markets Fund	4.81%
Global Multi-Strategy Fund	100.00%
Global Sustainable Listed Infrastructure Fund	4.19%
Government & High Quality Bond Fund	100.00%
Government Money Market Fund	97.34%
High Income Fund	95.87%
High Yield Fund	97.70%
Inflation Protection Fund	95.16%
International Equity Index Fund	0.20%
International Equity Fund	0.68%
International Small Company Fund	1.34%
LargeCap Growth Fund I	7.61%
LargeCap S&P 500 Index Fund	7.19%
LargeCap Value Fund III	5.37%
MidCap Fund	0.82%
MidCap Growth Fund III	2.76%
MidCap S&P 400 Index Fund	3.16%
MidCap Value Fund I	2.30%
Money Market Fund	95.33%
Overseas Fund	1.66%
Principal Capital Appreciation Fund	4.33%
Principal LifeTime 2015 Fund	79.24%
Principal LifeTime 2020 Fund	74.11%
Principal LifeTime 2025 Fund	68.91%
Principal LifeTime 2030 Fund	61.58%
Principal LifeTime 2035 Fund	51.46%
Principal LifeTime 2040 Fund	38.24%
Principal LifeTime 2045 Fund	24.67%
Principal LifeTime 2050 Fund	11.78%
Principal LifeTime 2055 Fund	10.35%
Principal LifeTime 2060 Fund	10.29%
Principal LifeTime 2065 Fund	9.25%
Principal LifeTime 2070 Fund	6.59%
Principal LifeTime Hybrid 2015 Fund	73.15%
Principal LifeTime Hybrid 2020 Fund	69.24%
Principal LifeTime Hybrid 2025 Fund	63.13%
Principal LifeTime Hybrid 2030 Fund	54.02%
Principal LifeTime Hybrid 2035 Fund	48.01%
Principal LifeTime Hybrid 2040 Fund	34.28%
Principal LifeTime Hybrid 2045 Fund	23.28%
Principal LifeTime Hybrid 2050 Fund	11.99%
Principal LifeTime Hybrid 2055 Fund	10.64%
Principal LifeTime Hybrid 2060 Fund	10.61%
Principal LifeTime Hybrid 2065 Fund	10.52%
Principal LifeTime Hybrid 2070 Fund	9.49%
Principal LifeTime Hybrid Income Fund	74.51%
Principal LifeTime Strategic Income Fund	80.07%
SAM Balanced Portfolio	47.90%
SAM Conservative Balanced Portfolio	69.88%
SAM Conservative Growth Portfolio	30.98%
SAM Flexible Income Portfolio	81.51%
SAM Strategic Growth Portfolio	5.24%
Short-Term Income Fund	99.60%
SmallCap Fund	2.79%
SmallCap Growth Fund I	3.75%
SmallCap S&P 600 Index Fund	5.15%
SmallCap Value Fund II	2.88%
Small-MidCap Dividend Income Fund	5.28%
Spectrum Preferred and Capital Securities Income Fund	24.24%

Section 199A Dividends

Non-corporate shareholders of Principal Real Estate Securities Fund and Principal Global Real Estate Securities Fund, meeting certain holding period requirements, may be able to deduct up to 20 percent of qualified REIT dividends passed through and reported to the shareholders by the Fund as Section 199A dividends. The Section 199A percentage of ordinary dividends will be available in late February.

Long-Term Capital Gain Distributions

Certain funds distributed long-term capital gain dividends during the calendar year which ended December 31, 2024. Unless otherwise designated, long-term capital gain dividends are subject to a maximum tax rate of 20-percent, 15-percent, or 0-percent, depending on the shareholder's taxable income. To the extent necessary to distribute such capital gains, certain funds may also utilize, and hereby designate, earnings and profits distributed to shareholders on redemptions of shares as part of the Dividends Paid Deduction. Please consult your tax advisor if you have any questions.

Unrecaptured Section 1250 Gain Distribution

Distributions from Principal Real Estate Securities Fund and Principal Global Real Estate Securities Fund might be designated as Unrecaptured Section 1250 gains. Information regarding any potential Unrecaptured Section 1250 gains from these funds will be provided in late February. Unrecaptured Section 1250 gains are gains from the sale of depreciable property that are subject to a maximum tax rate of 25%. Please consult your tax advisor if you have any questions.

Tax Information Disclosure

*If you own shares in the Principal Real Estate Securities Fund or Principal Global Real Estate Securities Fund, please note that these funds invest in securities that reclassify their income distributions after January 31st. As a result, your 1099-DIV for these funds will be mailed by February 28th.

The latest tax reporting supplement is available on Principal's Tax Center website.
Website: <https://www.principal.com/tax-center>