

Principal Funds, Inc. 2023 Tax Reporting Supplement

The enclosed information is provided to assist shareholders in preparing their 2023 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 2023 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>
Blue Chip Fund	0.50%	1.88%	3.54%
Bond Market Index Fund	37.76%	23.62%	2.64%
Capital Securities Fund	0.07%	0.31%	0.57%
Core Fixed Income Fund	17.32%	24.94%	2.42%
Core Plus Bond Fund	14.05%	23.63%	1.35%
Diversified Income Fund	1.36%	2.23%	1.12%
Diversified International Fund	0.23%	0.87%	1.64%
Diversified Real Asset Fund	18.64%	1.13%	2.12%
Edge MidCap Fund	0.37%	1.41%	2.66%
Equity Income Fund	0.23%	0.91%	1.72%
Finisterre Emerging Markets Total Return Bond Fund	0.55%	2.08%	3.90%
Global Emerging Markets Fund	0.23%	0.89%	1.68%
Global Multi-Strategy Fund	3.88%	5.28%	9.91%
Global Real Estate Securities Fund	0.14%	0.56%	1.05%
Global Sustainable Listed Infrastructure Fund	0.20%	0.77%	1.45%
Government & High Quality Bond Fund	3.32%	78.45%	1.66%
Government Money Market Fund	8.32%	31.54%	59.25%
High Income Fund	0.61%	0.34%	0.64%
High Yield Fund	1.16%	0.75%	1.41%
Inflation Protection Fund	96.48%	0.22%	0.42%
International Equity Index Fund	0.04%	0.16%	0.30%
International Fund I	0.09%	0.36%	0.68%
International Small Company Fund	0.14%	0.54%	1.02%
LargeCap Growth Fund I	0.00%	0.00%	13.78%
LargeCap S&P 500 Index Fund	0.52%	1.94%	3.65%
LargeCap Value Fund III	0.40%	1.52%	2.86%
MidCap Fund	0.09%	0.35%	0.66%
MidCap S&P 400 Index Fund	0.52%	1.95%	3.67%
MidCap Value Fund I	0.47%	1.75%	3.28%
Money Market Fund	1.78%	0.16%	5.08%
Origin Emerging Markets Fund	0.17%	0.66%	1.23%
Overseas Fund	0.17%	0.67%	1.26%
Principal Capital Appreciation Fund	0.48%	1.82%	3.43%
Principal LifeTime 2010 Fund	10.26%	11.84%	1.68%
Principal LifeTime 2015 Fund	15.42%	9.99%	1.79%
Principal LifeTime 2020 Fund	14.65%	9.98%	1.82%
Principal LifeTime 2025 Fund	13.71%	9.66%	1.84%
Principal LifeTime 2030 Fund	7.71%	11.27%	1.91%
Principal LifeTime 2035 Fund	6.30%	9.34%	1.95%
Principal LifeTime 2040 Fund	4.20%	6.40%	1.90%
Principal LifeTime 2045 Fund	2.51%	4.08%	1.94%
Principal LifeTime 2050 Fund	1.20%	2.28%	1.93%
Principal LifeTime 2055 Fund	1.19%	2.27%	1.95%
Principal LifeTime 2060 Fund	1.19%	2.26%	1.95%
Principal LifeTime 2065 Fund	1.15%	2.22%	1.96%
Principal LifeTime 2070 Fund	0.69%	1.58%	1.97%
Principal LifeTime Hybrid 2015 Fund	24.76%	10.71%	2.07%
Principal LifeTime Hybrid 2020 Fund	23.31%	10.37%	2.12%
Principal LifeTime Hybrid 2025 Fund	22.43%	10.38%	2.19%
Principal LifeTime Hybrid 2030 Fund	18.90%	12.28%	2.39%
Principal LifeTime Hybrid 2035 Fund	15.41%	10.20%	2.39%
Principal LifeTime Hybrid 2040 Fund	10.58%	7.35%	2.43%
Principal LifeTime Hybrid 2045 Fund	6.35%	4.86%	2.46%
Principal LifeTime Hybrid 2050 Fund	2.74%	2.74%	2.52%
Principal LifeTime Hybrid 2055 Fund	2.77%	2.77%	2.53%
Principal LifeTime Hybrid 2060 Fund	2.80%	2.79%	2.53%
Principal LifeTime Hybrid 2065 Fund	2.78%	2.78%	2.52%
Principal LifeTime Hybrid 2070 Fund	2.78%	2.77%	2.50%
Principal LifeTime Hybrid Income Fund	24.29%	10.47%	2.03%
Principal LifeTime Strategic Income Fund	16.31%	9.37%	1.77%
Real Estate Securities Fund	0.22%	0.83%	1.57%
SAM Balanced Portfolio	10.28%	9.58%	3.58%
SAM Conservative Balanced Portfolio	16.44%	13.50%	2.71%
SAM Conservative Growth Portfolio	6.41%	6.57%	4.25%
SAM Flexible Income Portfolio	19.22%	16.11%	2.66%
SAM Strategic Growth Portfolio	1.33%	1.79%	3.40%
Short-Term Income Fund	8.72%	0.93%	1.73%
SmallCap Fund	0.25%	0.96%	1.81%
SmallCap S&P 600 Index Fund	0.36%	1.37%	2.57%
SmallCap Value Fund II	0.40%	1.50%	2.82%
Small-MidCap Dividend Income Fund	0.25%	0.96%	1.81%
Spectrum Preferred and Capital Securities Income Fund	0.07%	0.29%	0.54%

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	25.66%
Opportunistic Municipal Fund	36.13%
Tax-Exempt Bond Fund	30.73%

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 2023 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	22.65%	11.43%
Bond Market Index Fund	0.00%	0.00%	Principal LifeTime 2025 Fund	27.87%	14.17%
California Municipal Fund	0.00%	0.00%	Principal LifeTime 2030 Fund	32.97%	16.80%
Capital Securities Fund	68.22%	36.58%	Principal LifeTime 2035 Fund	42.57%	21.56%
Core Fixed Income Fund	1.07%	1.07%	Principal LifeTime 2040 Fund	53.97%	27.24%
Core Plus Bond Fund	1.83%	1.48%	Principal LifeTime 2045 Fund	65.57%	32.91%
Diversified Income Fund	14.65%	11.92%	Principal LifeTime 2050 Fund	74.73%	37.46%
Diversified International Fund	76.51%	0.26%	Principal LifeTime 2055 Fund	74.69%	37.33%
Diversified Real Asset Fund	60.57%	21.65%	Principal LifeTime 2060 Fund	74.37%	37.08%
Edge MidCap Fund	100.00%	100.00%	Principal LifeTime 2065 Fund	75.69%	37.53%
Equity Income Fund	100.00%	94.99%	Principal LifeTime 2070 Fund	75.96%	34.63%
Finistere Emerging Markets Total Return Bond Fund	4.26%	0.00%	Principal LifeTime Hybrid 2015 Fund	18.73%	11.49%
Global Emerging Markets Fund	47.50%	0.27%	Principal LifeTime Hybrid 2020 Fund	23.01%	14.18%
Global Multi-Strategy Fund	26.47%	19.44%	Principal LifeTime Hybrid 2025 Fund	28.27%	17.53%
Global Real Estate Securities Fund	31.01%	0.52%	Principal LifeTime Hybrid 2030 Fund	32.92%	20.80%
Global Sustainable Listed Infrastructure Fund	39.20%	19.85%	Principal LifeTime Hybrid 2035 Fund	41.22%	26.07%
Government & High Quality Bond Fund	0.00%	0.00%	Principal LifeTime Hybrid 2040 Fund	54.36%	34.37%
Government Money Market Fund	0.00%	0.00%	Principal LifeTime Hybrid 2045 Fund	65.71%	41.53%
High Income Fund	0.07%	0.00%	Principal LifeTime Hybrid 2050 Fund	76.84%	48.62%
High Yield Fund	1.46%	0.87%	Principal LifeTime Hybrid 2055 Fund	77.54%	49.05%
Inflation Protection Fund	0.00%	0.00%	Principal LifeTime Hybrid 2060 Fund	77.62%	49.09%
International Equity Index Fund	84.78%	0.00%	Principal LifeTime Hybrid 2065 Fund	77.71%	49.06%
International Fund I	83.07%	0.00%	Principal LifeTime Hybrid 2070 Fund	74.45%	47.27%
International Small Company Fund	100.00%	0.00%	Principal LifeTime Hybrid Income Fund	17.55%	10.77%
LargeCap Growth Fund I	100.00%	100.00%	Principal LifeTime Strategic Income Fund	19.68%	9.70%
LargeCap S&P 500 Index Fund	100.00%	99.68%	Real Estate Securities Fund	0.00%	0.97%
LargeCap Value Fund III	100.00%	98.20%	SAM Balanced Portfolio	54.92%	35.49%
MidCap Fund	100.00%	100.00%	SAM Conservative Balanced Portfolio	31.99%	20.65%
MidCap Growth Fund	0.00%	0.00%	SAM Conservative Growth Portfolio	85.02%	57.38%
MidCap Growth Fund III	0.00%	0.00%	SAM Flexible Income Portfolio	21.08%	14.40%
MidCap S&P 400 Index Fund	84.09%	81.06%	SAM Strategic Growth Portfolio	100.00%	86.49%
MidCap Value Fund I	100.00%	100.00%	Short-Term Income Fund	0.00%	0.00%
Money Market Fund	0.00%	0.00%	SmallCap Fund	100.00%	93.16%
Opportunistic Municipal Fund	0.00%	0.00%	SmallCap Growth Fund I	0.00%	0.00%
Origin Emerging Markets Fund	75.08%	0.00%	SmallCap S&P 600 Index Fund	86.20%	81.22%
Overseas Fund	64.44%	0.00%	SmallCap Value Fund II	55.23%	52.52%
Principal Capital Appreciation Fund	100.00%	100.00%	Small-MidCap Dividend Income Fund	100.00%	100.00%
Principal LifeTime 2010 Fund	4.03%	3.25%	Small-MidCap Growth Fund	0.00%	0.00%
Principal LifeTime 2015 Fund	18.15%	9.20%	Spectrum Preferred and Capital Securities Inc	79.72%	39.89%
			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.

Principal Funds, Inc. 2023 Tax Reporting Supplement (continued)

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>
Finisterre Emerging Markets Total Return Bond Fund	01/26/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	02/23/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	03/28/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	04/25/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	05/25/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	06/27/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	07/26/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	08/28/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	09/26/2023	60.16%	\$ 0.0003
Finisterre Emerging Markets Total Return Bond Fund	10/26/2023	60.16%	\$ 0.0005
Finisterre Emerging Markets Total Return Bond Fund	11/27/2023	60.16%	\$ 0.0004
Finisterre Emerging Markets Total Return Bond Fund	12/27/2023	60.16%	\$ 0.0005
Global Emerging Markets Fund	12/27/2023	60.00%	\$ 0.1044
International Equity Index Fund	12/27/2023	64.56%	\$ 0.0214
International Small Company Fund	12/27/2023	60.50%	\$ 0.0100
Origin Emerging Markets Fund	12/27/2023	66.13%	\$ 0.0323
Principal LifeTime 2015 Fund	12/29/2023	1.19%	\$ 0.0005
Principal LifeTime 2020 Fund	12/29/2023	1.50%	\$ 0.0008
Principal LifeTime 2025 Fund	12/29/2023	1.90%	\$ 0.0008
Principal LifeTime 2030 Fund	12/29/2023	2.42%	\$ 0.0012
Principal LifeTime 2035 Fund	12/29/2023	3.14%	\$ 0.0012
Principal LifeTime 2040 Fund	12/29/2023	4.00%	\$ 0.0018
Principal LifeTime 2045 Fund	12/29/2023	4.92%	\$ 0.0018
Principal LifeTime 2050 Fund	12/29/2023	5.57%	\$ 0.0023
Principal LifeTime 2055 Fund	12/29/2023	5.66%	\$ 0.0021
Principal LifeTime 2060 Fund	12/29/2023	5.69%	\$ 0.0023
Principal LifeTime 2065 Fund	12/29/2023	5.80%	\$ 0.0019
Principal LifeTime 2070 Fund	12/29/2023	6.59%	\$ 0.0017
Principal LifeTime Hybrid 2015 Fund	12/29/2023	0.94%	\$ 0.0004
Principal LifeTime Hybrid 2020 Fund	12/29/2023	1.15%	\$ 0.0006
Principal LifeTime Hybrid 2025 Fund	12/29/2023	1.45%	\$ 0.0007
Principal LifeTime Hybrid 2030 Fund	12/29/2023	1.81%	\$ 0.0008
Principal LifeTime Hybrid 2035 Fund	12/29/2023	2.20%	\$ 0.0010
Principal LifeTime Hybrid 2040 Fund	12/29/2023	2.90%	\$ 0.0012
Principal LifeTime Hybrid 2045 Fund	12/29/2023	3.51%	\$ 0.0014
Principal LifeTime Hybrid 2050 Fund	12/29/2023	4.10%	\$ 0.0015
Principal LifeTime Hybrid 2055 Fund	12/29/2023	4.13%	\$ 0.0016
Principal LifeTime Hybrid 2060 Fund	12/29/2023	4.16%	\$ 0.0016
Principal LifeTime Hybrid 2065 Fund	12/29/2023	4.15%	\$ 0.0015
Principal LifeTime Hybrid 2070 Fund	12/29/2023	4.11%	\$ 0.0012
Principal LifeTime Hybrid Income Fund	12/29/2023	0.87%	\$ 0.0004
Principal LifeTime Strategic Income Fund	12/29/2023	1.39%	\$ 0.0006
SAM Balanced Portfolio	12/29/2023	5.06%	\$ 0.0015
SAM Conservative Balanced Portfolio	12/29/2023	4.69%	\$ 0.0008
SAM Conservative Growth Portfolio	12/29/2023	6.61%	\$ 0.0023
SAM Flexible Income Portfolio	12/29/2023	2.93%	\$ 0.0003
SAM Strategic Growth Portfolio	12/29/2023	8.72%	\$ 0.0035

Reallocation of Principal Funds, Inc. Distributions: Return of Capital Redesignation

Principal Funds, Inc. - Real Estate Securities Fund has been redesignated as non-taxable return of capital. Your Form 1099-DIV reports the proper amount of "nondividend distribution" for income tax purposes. If a return of capital was reported to you, an adjustment to the basis of your shares will be necessary. Please consult your tax advisor for further information.

Tax-Exempt Income by State

A portion of the dividends you received in 2023 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 2023 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.

<u>State</u>	<u>California Municipal Fund</u>	<u>Opportunistic Municipal Fund</u>	<u>Tax-Exempt Bond Fund</u>	<u>State</u>	<u>California Municipal Fund</u>	<u>Opportunistic Municipal Fund</u>	<u>Tax-Exempt Bond Fund</u>
Alabama	0.00%	3.77%	4.09%	Nebraska	0.00%	0.00%	0.15%
Alaska	0.00%	0.00%	0.00%	Nevada	0.00%	2.37%	3.02%
Arizona	0.00%	3.68%	1.62%	New Hampshire	0.00%	1.81%	1.21%
Arkansas	0.00%	2.44%	0.24%	New Jersey	0.00%	3.27%	5.85%
California	94.62%	7.39%	9.91%	New Mexico	0.00%	0.00%	0.06%
Colorado	0.00%	4.58%	2.58%	New York	0.00%	6.36%	6.03%
Connecticut	0.00%	1.92%	1.48%	North Carolina	0.00%	0.01%	0.56%
Delaware	0.00%	0.00%	0.00%	North Dakota	0.00%	0.00%	0.00%
District of Columbia	0.00%	0.45%	1.67%	Northern Mariana Islands	0.00%	0.00%	0.00%
Florida	0.00%	6.50%	4.72%	Ohio	0.00%	4.40%	3.18%
Georgia	0.00%	1.30%	2.94%	Oklahoma	0.00%	0.78%	0.01%
Guam	2.07%	0.00%	0.00%	Oregon	0.00%	0.00%	0.02%
Hawaii	0.00%	0.00%	0.00%	Pennsylvania	0.00%	2.21%	4.91%
Idaho	0.00%	0.00%	0.01%	Puerto Rico	1.87%	1.49%	0.92%
Illinois	0.00%	9.59%	11.75%	Rhode Island	0.00%	0.00%	0.00%
Indiana	0.00%	0.65%	0.71%	South Carolina	0.00%	3.38%	2.40%
Iowa	0.00%	1.00%	0.11%	South Dakota	0.00%	0.44%	0.38%
Kansas	0.00%	0.00%	0.00%	Tennessee	0.00%	2.05%	1.13%
Kentucky	0.00%	0.84%	1.70%	Texas	0.00%	5.47%	8.02%
Louisiana	0.00%	5.34%	3.68%	Virgin Islands	1.44%	0.74%	0.00%
Maine	0.00%	3.24%	0.25%	Utah	0.00%	0.75%	1.57%
Maryland	0.00%	0.56%	0.38%	Vermont	0.00%	0.00%	0.00%
Massachusetts	0.00%	1.30%	1.71%	Virginia	0.00%	0.50%	2.66%
Michigan	0.00%	2.01%	2.80%	Washington	0.00%	0.04%	1.04%
Minnesota	0.00%	0.00%	0.00%	West Virginia	0.00%	0.00%	0.23%
Mississippi	0.00%	0.02%	0.10%	Wisconsin	0.00%	3.33%	1.66%
Missouri	0.00%	0.76%	0.84%	Wyoming	0.00%	0.08%	0.00%
Montana	0.00%	2.33%	1.36%	Other	0.00%	0.85%	0.34%

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	98.69%
Capital Securities Fund	28.90%
Core Fixed Income Fund	98.60%
Core Plus Bond Fund	100.00%
Diversified Income Fund	85.20%
Diversified International Fund	2.70%
Diversified Real Asset Fund	29.66%
Edge MidCap Fund	4.38%
Equity Income Fund	2.82%
Finisierre Emerging Markets Total Return Bond Fund	100.00%
Global Emerging Markets Fund	2.76%
Global Multi-Strategy Fund	73.95%
Global Real Estate Securities Fund	1.56%
Global Sustainable Listed Infrastructure Fund	2.40%
Government & High Quality Bond Fund	96.99%
Government Money Market Fund	97.30%
High Income Fund	95.76%
High Yield Fund	97.17%
Inflation Protection Fund	97.06%
International Equity Index Fund	0.45%
International Fund I	1.10%
International Small Company Fund	2.35%
LargeCap Growth Fund I	22.70%
LargeCap S&P 500 Index Fund	6.30%
LargeCap Value Fund III	4.78%
MidCap Fund	1.53%
MidCap S&P 400 Index Fund	6.38%
MidCap Value Fund I	5.46%
Money Market Fund	95.45%
Origin Emerging Markets Fund	1.98%
Overseas Fund	2.08%
Principal Capital Appreciation Fund	5.68%
Principal LifeTime 2010 Fund	85.29%
Principal LifeTime 2015 Fund	78.21%
Principal LifeTime 2020 Fund	73.09%
Principal LifeTime 2025 Fund	65.73%
Principal LifeTime 2030 Fund	56.44%
Principal LifeTime 2035 Fund	48.28%
Principal LifeTime 2040 Fund	34.08%
Principal LifeTime 2045 Fund	22.43%
Principal LifeTime 2050 Fund	12.16%
Principal LifeTime 2055 Fund	12.06%
Principal LifeTime 2060 Fund	11.99%
Principal LifeTime 2065 Fund	11.69%
Principal LifeTime 2070 Fund	7.49%
Principal LifeTime Hybrid 2015 Fund	77.16%
Principal LifeTime Hybrid 2020 Fund	72.95%
Principal LifeTime Hybrid 2025 Fund	66.87%
Principal LifeTime Hybrid 2030 Fund	60.54%
Principal LifeTime Hybrid 2035 Fund	51.44%
Principal LifeTime Hybrid 2040 Fund	37.43%
Principal LifeTime Hybrid 2045 Fund	24.98%
Principal LifeTime Hybrid 2050 Fund	13.51%
Principal LifeTime Hybrid 2055 Fund	13.51%
Principal LifeTime Hybrid 2060 Fund	13.47%
Principal LifeTime Hybrid 2065 Fund	13.41%
Principal LifeTime Hybrid 2070 Fund	11.75%
Principal LifeTime Hybrid Income Fund	77.82%
Principal LifeTime Strategic Income Fund	76.45%
Real Estate Securities Fund	2.59%
SAM Balanced Portfolio	53.27%
SAM Conservative Balanced Portfolio	71.06%
SAM Conservative Growth Portfolio	33.56%
SAM Flexible Income Portfolio	79.87%
SAM Strategic Growth Portfolio	6.91%
Short-Term Income Fund	99.25%
SmallCap Fund	2.93%
SmallCap S&P 600 Index Fund	4.52%
SmallCap Value Fund II	4.70%
Small-MidCap Dividend Income Fund	4.61%
Small-MidCap Growth Fund	0.00%
Spectrum Preferred and Capital Securities Income Fund	24.02%

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.

	<u>199A</u>
Global Real Estate Securities Fund	51.81%
Real Estate Securities Fund	92.80%

Long-Term Capital Gain Distributions

Certain funds distributed long-term capital gain dividends during the calendar year which ended December 31, 2023. 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.

Details of designated long-term capital gain dividends for federal income tax purposes related to funds that merged or liquidated within this calendar year are listed below:

Principal LifeTime 2010 Fund \$ 5,402,667

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.

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