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				2 Issuer's employer identification number (EIN)		
Principal Funds, Inc Rea			- No. of contact	XX-XXX9843		
3 Name of contact for ad	ditional information	4 releption	e No. of contact	5 Email address of contact		
Principal Funds			1-800-222-5852	investorcontact@principalfunds.com		
6 Number and street (or	P.O. box if mail is not	delivered to s		7 City, town, or post office, state, and ZIP code of contact		
·			·			
P.O. Box 219971				Kansas City, MO 64121-9971		
8 Date of action		9 Class	sification and description			
See Attachment	144 0 11 1	See Atta		40.4		
10 CUSIP number	11 Serial number	S)	12 Ticker symbol	13 Account number(s)		
Coo Attaclamant			Coo Attoologogat			
See Attachment Part II Organizati	onal Action Atta	ch additiona	See Attachment	See back of form for additional questions.		
				date against which shareholders' ownership is measured for		
the action ► See At		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
15 Describe the quantita	tive effect of the orga	anizational act	ion on the basis of the sec	curity in the hands of a U.S. taxpayer as an adjustment per		
share or as a percent						
	_					
16 Describe the calculat	ion of the change in l	nacic and the	data that supports the calc	culation, such as the market values of securities and the		
valuation dates ► Se			data triat supports tric care	salation, such as the market values of securities and the		
<u>30</u>	CAttachment					

Part	Щ	Organizational Action (continue	ea)				
4= 1.		"	. ()				
		applicable Internal Revenue Code sect					
The noi	n-taxa	ble return of capital was determined	in accordance with sections 30	11, 312, 316 and 851-855 of th	e Internal Revenue Code.		
18 C	an any	resulting loss be recognized? ► <u>See</u>	Attachment				
19 P	rovide	any other information necessary to imp	plement the adjustment, such as	the reportable tax vear ▶			
		a, oooaooooooa., to	one in a dajaciment, cacin de				
		r penalties of perjury, I declare that I have e					
	bellet	, it is true, correct, and complete. Declaration	n of preparer (other than officer) is bas	sed on all information of which prep	arer nas any knowledge.		
Sign							
Here	Signa	gnature ► Signed copy maintained in taxpayer's records. Date ► February 15, 2024					
	Print	your name ► Tara Parks	Duran array 1 1		sistant Controller		
Paid		Print/Type preparer's name	Preparer's signature	Date	Check if PTIN		
Prepa					self-employed		
Use C		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. – Real Estate Securities Fund

EIN: XX-XXX9843

Attachment to Form 8937, Report of Organizational Action Affecting Cost Basis

December 15, 2023 (Revised February 15, 2024)

This notice is provided to inform shareholders of Principal Funds, Inc. – Real Estate Securities Fund of an action that affects your cost basis of shares owned during the period of January 1, 2023 through October 31, 2023. A portion of the ordinary income dividends paid by Principal Funds, Inc. – Real Estate Securities Fund for its taxable year ended October 31, 2023 is in excess of its earnings and profits and is designated as a non-taxable return of capital.

The non-taxable return of capital reduces your cost basis (see details for each class of shares in the table below). If you receive a 2023 Form 1099-DIV, the non-taxable return of capital amount will be shown in Box 3, Non-dividend distributions. The adjustment to your cost basis will impact your gain or loss calculation when you sell your shares of Principal Funds, Inc. – Real Estate Securities Fund. For further information, please see Publication 550, Investment Income and Expenses and/or consult your tax advisor.

Principal Funds, Inc. – Real Estate Securities Fund Return of Capital

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Class of Common Shares	CUSIP	Ticker Symbol	Per Share Return of			
(Form 8937, Box 9)	(Form 8937, Box	(Form 8937,	Capital Basis			
	10)	Box 12)	Adjustment *			
Class A	74254T278	PRRAX	\$0.096038530			
Class C	74254V786	PRCEX	\$0.064268839			
Class J	74253Q598	PREJX	\$0.101221502			
Class R1	74254T500	PRAEX	\$0.080969523			
Class R3	74253J321	PRERX	\$0.092180097			
Class R4	74253J354	PRETX	\$0.098265289			
Class R5	74253J347	PREPX	\$0.103486652			
Class R6	74256W568	PFRSX	\$0.112470468			
Institutional	74253Q580	PIREX	\$0.110589241			

^{*19.196188422%} of ordinary income dividends paid during the period 01/01/2023 - 10/31/2023.

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: <u>investorcontact@principalfunds.com</u>

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.