



**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 return of capital was determined in accordance with sections 301, 312, 316 and 851-855 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 ▶ \_\_\_\_\_

**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 ▶ February 15, 2024

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

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.



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

Class of Common Shares (Form 8937, Box 9)	CUSIP (Form 8937, Box 10)	Ticker Symbol (Form 8937, Box 12)	Per Share Return of Capital Basis 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  
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Website:  
<https://www.principalfunds.com/customer-support/contact-us>

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