

Principal International Small Company Fund

First quarter 2023

Fund overview

The Fund seeks long-term capital growth by investing in equity securities of small-capitalization companies domiciled in developed countries outside of the United States.

Ticker

Class I: PISMX

Portfolio management

Brian Pattinson, CFA

29 years of experience

Tiffany Lavastida, CFA

27 years of experience

Fund information

	Fund	Index
Fund AUM	\$716.2M	—
Number of holdings	211	2,492
Active share	84.7%	—
Market cap ¹	\$4.0B	\$2.3B
Earnings growth ²	7.5%	6.3%
Earnings revision ³	9.0%	-7.6%
Price/earnings (FY1) ⁴	13.9x	15.2x
Return on equity (last 12 months)	11.4%	9.7%

Source: FactSet

¹ Weighted median

² Average of trailing one-year and forward one-year earnings per share (EPS growth)

³ Percentage of companies with positive EPS revisions less percentage with negative EPS revisions

⁴ Forward one-year price/earnings estimates

Active share: Measures how much different portfolio weights in securities are from benchmark weights. The higher the active share, the more the portfolio differs from the benchmark.

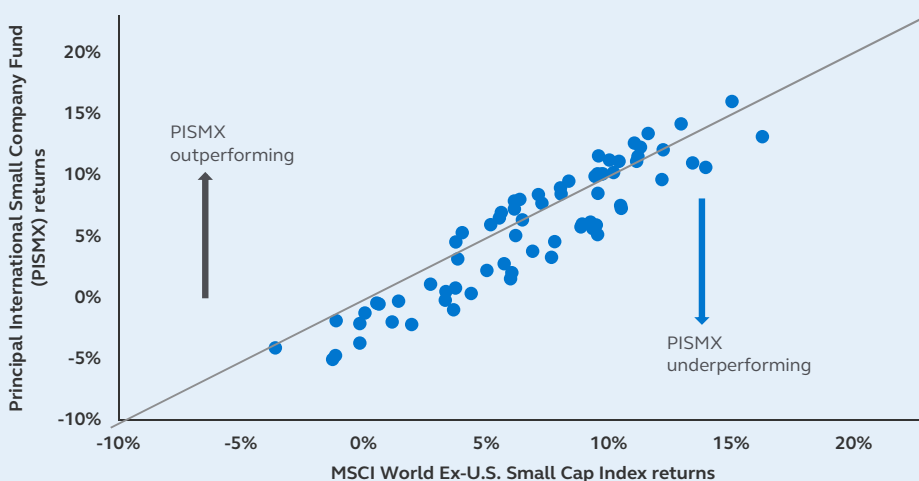
Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

Early movers on underappreciated opportunities

- Investing in businesses we believe are becoming better as a result of positive change: innovators, renovators, and pacesetters.
- Identifying potential underappreciated growth and improvement opportunities ahead of the market.
- An experienced team powered by perspective and precision. The portfolio managers have co-managed strategies since 2006.

Performance versus the index

Rolling 3-year return, plotted monthly



Since inception: 06/11/2014 - 03/31/2023

Source: Morningstar

The diagonal line represents zero excess returns (where the fund and index returns are equal). Data points above the line represent outperformance of the fund vs. the index. Data points below the line represent underperformance of the fund vs. the index.

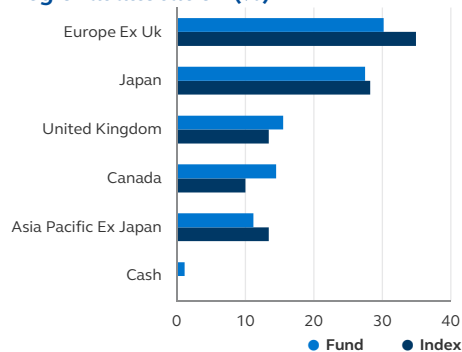
Why allocate to a portfolio:

- Compelling growth and value characteristics for investors seeking core international small-cap equity exposure diversified across sectors and regions
- Seeks to isolate stock selection as the key driver of results, while avoiding unrewarded risks

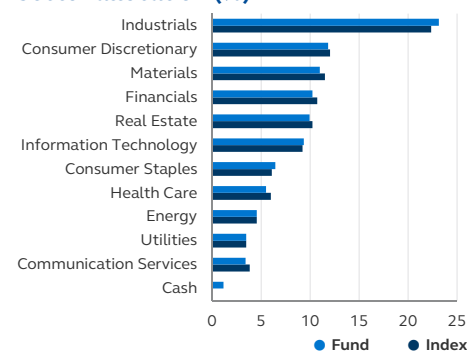
Top 10 holdings⁵

	% of net assets
Principal Government Money Market Fund - Class R-6	1.4
DS Smith PLC	0.9
Trelleborg AB	0.8
Royal Unibrew A/S	0.8
Sembcorp Industries Ltd	0.8
ASR Nederland NV	0.8
JD Sports Fashion PLC	0.8
Saab AB	0.8
Sega Sammy Holdings Inc	0.8
Alamos Gold Inc	0.8
Total	8.7

⁵ The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

Regional allocation (%)⁶

⁶ Source: FactSet. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash.

Sector allocation (%)⁶

Performance, rankings, & ratings

	Average annual total returns (%)							
	3-month	1-year	3-year	5-year	10-year	Since inception ¹² (12/31/2014)	Expense ratio ¹³ (net/gross)	Expense limit expiration date
Class I ⁷	6.66	-7.54	10.97	-0.78	—	3.04	1.08/1.13	12/30/2023
MSCI World Ex-U.S. Small Cap Index ^{8,9}	4.99	-10.13	13.43	1.54	5.54	5.44	—	—
Morningstar Category Average	6.95	-6.70	14.01	1.23	5.28	—	—	—
Morningstar rankings and ratings								
Category and number of funds in category: Foreign Small/Mid Blend	105	97	90	79	46	—	—	—
Class I percentile rankings ¹⁰	—	57	88	93	—	—	—	—
Class I ratings ¹¹	—	—	**	*	—	Overall *	—	—
Calendar year returns (%)								
	2015	2016	2017	2018	2019	2020	2021	2022
Class I ⁷	8.17	1.33	35.77	-20.24	26.69	5.59	8.21	-21.92
MSCI World Ex-U.S. Small Cap Index ^{8,9}	5.46	4.32	31.04	-18.07	25.41	12.78	11.14	-20.59
Morningstar Category Average	3.79	1.79	31.58	-19.13	22.52	10.92	12.50	-20.38

Returns represent past performance and do not guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For the most recent month-end performance, visit www.PrincipalAM.com/mutual.

⁷ Performance assumes reinvestment of all dividends and capital gains.

⁸ MSCI World Ex-U.S. Small Cap Index is a free float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed countries excluding the US.

⁹ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

¹⁰ Morningstar percentile rankings are based on total returns and do not reflect the inclusion of sales charges. If sales charges were reflected, rankings could be lower.

¹¹ The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar ratings do not reflect the inclusion of sales charges. If sales charges were reflected, ratings could be lower.

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¹² Class I shares were first sold 12/31/2014. Returns for Class I shares prior to 12/31/2014, including since inception performance, are based on performance of the Class A shares adjusted to reflect the fees and expenses of Class I shares. Class A shares were first sold 06/11/2014.

¹³ The net expense ratio reflects contractual expense limits, if any, which may lower net expenses and cause the gross and net expense ratios to differ. In such cases a date is listed through which expense limits are expected to apply; however, Principal Funds and the investment adviser may mutually agree to terminate the expense limits prior to the end of the period. Returns displayed are based on net total investment expense.

Returns shown for periods of less than one year are not annualized.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. Risk is magnified in emerging markets, which may lack established legal, political, business or social structures to support securities markets. Small cap stocks may have additional risks including greater price volatility.

Class I shares are available only to eligible investors, including various institutional investors and investors in certain mutual fund wrap or asset allocation programs. See the prospectus for eligibility requirements.

Carefully consider a fund's objectives, risks, charges, and expenses. Contact your financial professional or visit www.PrincipalAM.com for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.

Investing involves risk, including possible loss of principal.

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