

Principal® Core Plus Bond Fund as of 06/30/2020

A Shares: **PRBDX**

Investment Strategy

The investment seeks to provide current income and, as a secondary objective, capital appreciation. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in bonds or other debt securities at the time of purchase. Under normal circumstances, the fund maintains an average portfolio duration that is within from 75% to 125% of the duration of the Bloomberg Barclays U.S. Aggregate Bond Index.

Portfolio Managers

William C. Armstrong, CFA

Since 12/06/2000, M.A., University of Iowa

Randy Woodbury, CFA

Since 04/30/2020, M.B.A., Iowa State University



Morningstar category

Intermediate Core-Plus Bond

Not FDIC or NCUA Insured

May Lose Value • Not a Deposit • No Bank or Credit Union Guarantee
Not Insured by any Federal Government Agency

Average Annual Total Returns¹ as of 06/30/2020

	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Inception
Core Plus Bond Fund (A)						
Excluding Sales Charge	5.79%	8.14%	4.86%	4.04%	4.02%	4.21%
Including Sales Charge	1.82%	4.07%	3.52%	3.25%	3.62%	4.00%
Morningstar Percentile Rankings	–	31	45	55	60	–
Number of Funds in Category	615	601	534	455	333	–

Investment results shown represent historical performance and do not guarantee future results. Your investment's returns and principal values will fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance shown. For more information, including the most recent month-end performance, visit principalfunds.com, call your financial professional, or call 800-222-5852. A sales charge may apply as follows: Class A shares: maximum up-front sales charge of 3.75%. See the prospectus for details. Performance listed with sales charge reflects the maximum sales charge.

Where gross and net expense ratios differ, the investment adviser has contractually agreed to limit the investment option's expenses. Differences also may be due to the investment adviser's decision to pay (through the same dates) certain expenses that would normally be payable by the fund.

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.

Returns shown for less than one year are not annualized.

Operations

Total Net Assets (mil.)	\$621.63
Class A Inception Date	06/28/2005
Extended Performance Inception Date	12/06/2000

Total Investment Expense

	Gross Expense Ratio	Net Expense Ratio	Expiration Date	
			Contractual Cap	Waiver
Class A	1.08%	0.89%	02/28/2021	02/28/2021

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Total Returns ^{1, 2} (Calendar Year)	10.95%	6.28%	7.00%	-1.43%	4.69%	-0.67%	3.59%	4.48%	-2.09%	9.44%

¹ Performance assumes reinvestment of all dividends and capital gains. Extended performance is calculated based on the historical performance of the fund's oldest share class, adjusted for the fees and expenses of the share class shown. Periods of less than one year are not annualized. 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.

² The annual total returns shown above represent performance for Class A shares (not adjusted for sales charge) and any extended annual performance is based on the fund's oldest share class (not adjusted for sales charge). Annual total returns for other share classes will differ.

Portfolio information as of 05/31/2020

Analysis

Number of Holdings	913
Turnover Ratio	139%
Avg. Effective Duration (Yrs.)	6.03
Avg. Effective Maturity (Yrs.)	8.53
Avg. Weighted Price	107.70
30-Day SEC Yield - Non-Subsidized (Gross)	1.66
30-Day SEC Yield - Subsidized (Net)	1.79

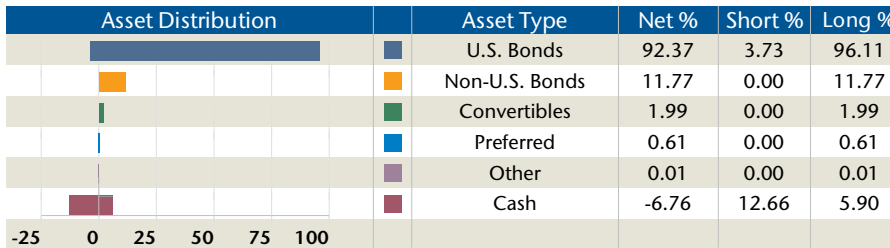
Average Effective Duration - A time measure of a bond portfolio's interest-rate sensitivity, based on the weighted average of the time periods over which the cash flows of all of the portfolio's bond holdings accrue to the portfolio. Time periods are weighted by multiplying by the present value of each bond's cash flow divided by that bond's price. (A bond's cash flows consist of coupon payments and repayment of capital.)
Turnover is calculated semi-annually; reflects most recent available calculation.

Top Ten Holdings

	% of Net Assets
1. United States Treasury Bonds 3.12%	4.63
2. United States Treasury Bills 0.12%	3.67
3. United States Treasury Bonds 3.88%	3.60
4. 5 Year Treasury Note Future Sept 20	3.53
5. 10 Year Treasury Note Future Sept 20	2.71
6. United States Treasury Notes 1.62%	2.66
7. ICE CREDIT DEFAULT SWAP	2.38
8. iShares iBoxx \$ Invtm Grade Corp Bd ETF	2.16
9. Federal National Mortgage Association 3%	2.08
10. Federal National Mortgage Association 3.5%	1.97

% of net assets in top ten holdings* 29.39

*Values may exceed 100% if both long and short positions are included in the portfolio.



Credit Analysis as of 05/31/2020

AAA	50.22
AA	5.63
A	8.97
BBB	25.27
BB	4.27
B	3.93
Below B	1.34
Not Rated	0.38

Risk & Return Statistics as of 06/30/2020

Class A Shares

Relative to Bloomberg Barclays Aggregate Bond Index

	3-Year	5-Year
Alpha	-0.45	-0.21
Beta	1.01	0.99
R-Squared	75.87	78.67
Standard Deviation	3.77	3.41

Risk and return statistical data is calculated by Morningstar, Inc.

The Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit principalfunds.com.

The credit analysis shows the percentage of fixed-income securities that fall within each credit-quality rating, as assigned by Standard & Poor's or Moody's, and depicts the quality of bonds in the portfolio. Higher ratings indicate a lower credit risk, and lower ratings indicate a higher credit risk. Per the Morningstar Fixed Income Survey guidelines, if two rating agencies rate a security, then the lowest rating is used. The credit analysis may not reflect the current portfolio composition. AAA-rated securities include cash and cash equivalents. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.

Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations; and the inability to close out certain hedged positions to avoid adverse tax consequences.

Effective November 30, 2018, class C shares will be closed to new investors. Effective January 11, 2019, class C shares will be converted to the respective class A shares.

Bloomberg Barclays Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Alpha: The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta:** An investment's sensitivity to market movements. **R-Squared:** Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation:** Measures how much an investment's returns are likely to fluctuate.

Web Site: principalfunds.com

Carefully consider a fund's objectives, risks, charges, and expenses. Contact your financial professional or visit principalfunds.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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