

Principal[®] Principal LifeTime 2030 Fund

as of 12/31/2019

A Shares: **PTCAX**

Investment Strategy

The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund" that invests according to an asset allocation strategy designed for investors having a retirement investment goal close to the year in 2030. It is a fund of funds and invests in underlying funds of Principal Funds, Inc. ("PFI"). Its underlying funds consist of domestic and foreign equity funds, fixed-income funds, real asset funds, and other funds that aim to offer diversification beyond traditional equity and fixed-income securities.

Portfolio Managers

James W. Fennessey, CFA

Since 06/01/2007, B.S., Truman State University

Randy L. Welch

Since 06/01/2007, M.B.A., Drake University

Scott W. Smith

Since 05/02/2017, B.S., Iowa State University

Multiple

Sub-Advisors

Morningstar category

Target-Date 2030

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 12/31/2019

	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Inception
Principal LifeTime 2030 Fund (A)						
Excluding Sales Charge	21.96%	21.96%	9.91%	6.68%	8.39%	5.64%
Including Sales Charge	15.23%	15.23%	7.85%	5.47%	7.77%	5.33%
Morningstar Percentile Rankings	–	18	36	64	45	–
Number of Funds in Category	241	241	206	164	95	–

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 5.50%. 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.

The Principal LifeTime portfolios, which are target date portfolios, invest in underlying Principal Funds. Each Principal LifeTime portfolio is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime portfolio approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime portfolio is regularly re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime portfolios assume the value of the investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime portfolios are guaranteed at any time, including the target date. Investment risk remains at all times.

Operations

Total Net Assets (mil.)	\$5,567.87
Class A Inception Date	06/28/2005
Extended Performance Inception Date	03/01/2001

Total Investment Expense

	Gross Expense Ratio	Net Expense Ratio	Expiration Date	
			Contractual Cap	Waiver
Class A	1.10%	1.08%	02/29/2020	N/A

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Total Returns ^{1, 2} (Calendar Year)	15.08%	-2.59%	15.20%	18.87%	5.52%	-1.29%	5.41%	18.02%	-7.76%	21.96%

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 11/30/2019

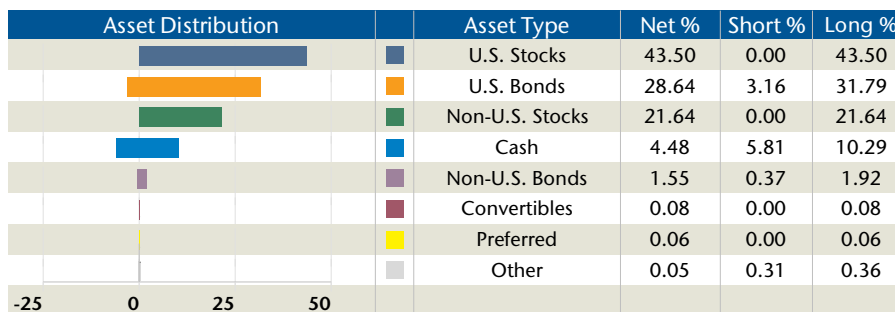
Analysis

Number of Holdings	19
Turnover Ratio	23%
P/E Ratio	18.15
Avg. Effective Duration (Yrs.)	5.36

Turnover is calculated semi-annually; reflects most recent available calculation.

Top Ten Holdings

	% of Net Assets
1. Principal Income R6	17.21
2. Principal Large Cap S&P 500 Index Inst	10.99
3. Principal Bond Market Index Instl	9.28
4. Principal LargeCap Growth I R6	8.93
5. Principal Diversified International R-6	7.66
6. Principal Overseas Instl	7.59
7. Principal Large Cap Value III Inst	7.52
8. Principal MidCap R-6	5.63
9. Principal High Income Inst	4.24
10. Principal MidCap Value I R-6	3.47
% of net assets in top ten holdings	82.52



Stock Sector Breakdown as of 11/30/2019

Cyclical	38.40%	Defensive	20.74%
Real Estate	4.22	Utilities	3.66
Financial Svcs	18.61	Healthcare	10.88
Consumer Cyclical	11.08	Consumer Defensive	6.20
Basic Materials	4.49		
Sensitive	40.86%		
Energy	4.96		
Comm Svcs	8.12		
Industrials	13.17		
Technology	14.61		

Risk & Return Statistics as of 12/31/2019

Class A Shares

Relative to S&P Target Date 2030 Index

	3-Year	5-Year
Alpha	-0.16	-0.81
Beta	1.07	1.04
R-Squared	98.48	98.52
Standard Deviation	8.62	8.57

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.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.

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

Asset allocation and diversification do not ensure a profit or protect against a loss. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

Additional target date portfolios may be added to the Principal LifeTime portfolios series to accommodate plan participants with later normal retirement dates as they enter the workforce. Participants may also choose a portfolio with a target date that does not match the intended retirement date. Compare the different portfolios to see how the mix of investments might shift.

S&P Target Date 2030 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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.

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.)

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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