

SAM Flexible Income Portfolio

As of December 31, 2017



SAM Flexible Income Portfolio		
Investment Advisor	Investment Option	
Bonds		75.43%
Principal Global Investors	Income Fund	25.96%
Principal Global Investors	Short-Term Income Fund	12.74%
Principal Global Investors	Government & High Quality Bond Fund	11.23%
BlackRock	Inflation Protection Fund	6.51%
Spectrum Asset Management	Preferred Securities Fund	5.20%
PGI/Spectrum/W.H. Reaves/StoneHarbor/DDJ Capital/Post Advisory Group/Colonial First State/Logan Circle/Analytic	Global Diversified Income Fund	5.03%
Principal Global Investors	High Yield Fund	4.45%
Principal Global Investors	EDGE Active Income ETF	2.42%
Principal Real Estate Investors	Real Estate Debt Income Fund	1.88%
Domestic Stock		15.66%
Principal Global Investors	Equity Income Fund	8.69%
Principal Global Investors	U.S. Mega-Cap Multi-Factor Index ETF	2.44%
Principal Global Investors	Small-MidCap Dividend Income Fund	1.51%
Principal Global Investors	LargeCap Value Fund	1.49%
Columbus Circle Investors	LargeCap Growth Fund	0.88%
Principal Global Investors	EDGE MidCap Fund	0.64%
Global Stock		4.44%
Principal Global Investors	Active Global Dividend Income ETF	4.44%
International Stock		1.01%
Principal Global Investors	Diversified International Fund	0.65%
Principal Global Investors	International Emerging Markets Fund	0.37%
Real Assets		3.57%
Principal Real Estate Investors	Global Real Estate Securities Fund	3.57%
Net Other Assets		-0.11%
Total Net Assets		100%

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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.

Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

Real estate investment options are subject to some risks inherent in real estate and Real Estate Investment Trusts, such as risks associated with general and local economic conditions.

Portfolio holdings may not reflect the current portfolio composition. The holdings listed do not constitute a recommendation to purchase or sell a particular security.

Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc., member of Principal Financial Group®. See the Principal Funds, Inc. prospectus for the full name of each Fund. Certain investment options may not be available in all states or US commonwealths.

Investors should carefully consider a fund's investment objectives, risks, charges and expenses prior to investing. A prospectus, or a summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting principalfunds.com, or calling 800-222-5852. Please read the prospectus carefully before investing.

A mutual fund's share price and investment return will vary with market conditions, and the principal value of an investment when you sell your shares may be more or less than the original cost.

Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk.

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