

Principal Diversified Select Real Asset Fund

With exposure to private and public real assets the Fund seeks to provide investors with enhanced risk adjusted returns through various economic cycles, income, and protection against expected or unexpected inflation.

Through a continuously offered closed-end interval fund structure, the Principal Diversified Select Real Asset Fund is a multi-managed, multi-real asset class allocation strategy that aims to deliver superior diversification and more reliable outcomes versus single real asset class strategies. The Fund aims to provide diversified exposure and access to strategic investment in private real assets along with tactical public real asset allocations.

Real Asset class exposures defined

Real assets are securities whose underlying value is tied to a tangible asset or linked to the rate of inflation. Investors may benefit from allocation opportunities across the private and public real asset spectrum offering the potential for enhanced returns and reduced downside risk in uncertain market environments. Opportunities across private and public real asset market include:

- **Infrastructure:** Long life assets including private and public debt and equity investments in: transportation, renewable power, utilities, energy, water and data infrastructure
- **Natural Resources:** Exposure to private and public debt and equity investments from natural resources including agriculture and timberland
- **Real Estate:** Allocation to private and public commercial real estate debt and equity including direct real estate, real estate investment trusts (REITs), and commercial mortgage-backed securities (CMBS)
- **Diversifying real return strategies:** Alternative yield sources (e.g. floating rate debt) that reduce exposure to rising interest rates

Our Strategy

Principal Diversified Select Real Asset Fund	
Inception	June 25, 2019
Investment Strategy	Multi-managed, multi real-asset class allocation strategy that aims to deliver superior diversification and more reliable outcomes versus single real asset class strategies.
Structure	A publicly registered 1940 Act continuously offered closed-end interval fund. The Fund's shares are not listed on any national securities exchange, and the Fund does not currently intend to list its shares for trading on any exchange.
Liquidity	Required limited liquidity provided with quarterly repurchase offers at net asset value of no less than 5% of the outstanding shares of the Fund. The Fund is anticipated to provide periodic share tenders in March, June, September, and December.
Leverage¹	<ul style="list-style-type: none"> • Limited to 300% asset coverage test ratio or maximum of 33^{1/3}% of gross asset value. • Targeted long-term fund leverage is expected to be 20-25% of gross asset value.
Private / Public Long-Term Target exposure¹	<ul style="list-style-type: none"> • Private: 70% • Public: 30%
Asset Class Long-Term Target Allocations¹	<ul style="list-style-type: none"> • Infrastructure: 35% • Natural Resources: 30% • Real Estate: 25% • Diversifying Strategies: 10%
Strategy Specific Differentiators	<ul style="list-style-type: none"> • Our parent company, Principal®, traces its history over more than six decades of private investment experience, starting with single property investments and commercial loans². • Principal Portfolio Strategies has a proven track record in managing multi-asset, multi-manager real asset strategies delivering value to clients through manager selection, asset allocation and style selection. • Dedicated manager research teams oversee private and public investment sub-advised strategies and investment in private investment funds. Over time, allocations in private investment funds are anticipated to transition to separate account structure to allow for greater portfolio discretion, control and transparency.

¹ Target leverage, exposures, and allocations are subject to change. May not reflect current or future allocations of the fund. Asset allocation and diversification do not ensure a profit or protect against a loss.

Why Principal Diversified Select Real Asset Fund?

- Access and exposure to a diversified private and public real asset portfolio with lower correlated returns to traditional asset classes
- Attractive risk-adjusted return and income potential
- Manager with strong history and track record in the real asset space with a proven proprietary manager due-diligence process

An experienced team

- Demonstrated history of success in launching and managing real asset strategies of scale, currently exceeding \$5 billion³ in diversified real asset strategies.
- One of the longest track records in managing multi-asset, multi-manager real asset strategies.
- History of delivering value to clients through effective manager selection, asset allocation, and style selection.
- The experienced team averages over 26 years of industry experience and has over 10 years of experience managing outcome-oriented investment solutions designed to address specific client risks such as income, volatility, and inflation.

Outcome-oriented asset allocation experts

The multi-manager, multi-real asset strategy of the Fund is defined, designed, and delivered by the Dynamic Outcome team of Principal Portfolio Strategies, a specialized asset allocation boutique within Principal Global Investors.

We believe thoughtful portfolio construction targeting specific risk targets that are diversified across multiple asset classes and delivered using “best-in-class” specialist managers can lead to superior net-of-fee returns.



Marc Dummer, CAIA, CIMA
Portfolio Manager
37 years of industry experience
16 years of firm experience



Jake Anonson, CFA, CAIA
Portfolio Manager
26 years of industry experience
19 years of firm experience



Jessica Bush, CFA
Portfolio Manager
18 years of industry experience
13 years of firm experience



Ben Rotenberg, CFA, CAIA
Portfolio Manager
26 years of industry experience
5 years of firm experience

²Experience includes investment activities beginning in the real estate investment area of Principal Life Insurance Company and continuing through the firm to present.

³As of March 31, 2019.

Principal Diversified Select Real Asset Fund is a closed-end investment company that continuously offers its shares. Investors in a closed-end fund do not have the right to redeem their shares on a daily basis at a price based on NAV per share. There is no secondary market for the Shares, and the Fund does not expect a secondary market will develop. You may not be able to sell your Shares when and/or in the amount that you desire.

The Fund is structured as an interval fund, which means it conducts quarterly repurchase offers of no less than 5% of the Fund's outstanding shares at net asset value (“NAV”). Investors should not rely on any expectation of repurchase offers being made in excess of 5%.

Investors should consider the Fund's shares illiquid. The ability of investors to sell shares to access their invested capital is very limited.

A prospective investor must meet the definition of an accredited investor under Regulation D of the Securities Act of 1933.

Investing in the Fund is speculative and involves a high degree of risk, including the risks associated with leverage and the risk of a substantial loss of investment.

Real estate investment options, such as real estate investment trusts (REITs) and commercial mortgage backed securities (CMBS), are subject to risks associated with credit, liquidity, interest rate fluctuation, adverse general and local economic conditions, and decreases in real estate values and occupancy rates. Investments in companies involved in agriculture, infrastructure, natural resources and energy can be significantly affected by government policies, regulations, interest

costs, surplus capacity, weather conditions, and natural disasters. Investing in derivatives entails specific risks relating to liquidity, leverage, and credit, which may reduce returns and/or increase volatility. The use of leverage increases investment exposure and has the potential to magnify losses. 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. Fixed-income investments are subject to interest rate risk; as interest rates rise their value will decline. Floating rate debt instruments are subject to credit risk, interest rate risk, and impaired collateral risk, which means that the value of the collateral used to secure a loan held by the fund could decline over the course of the loan. Lower-rated securities are subject to additional credit and default risks.

Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's private investments may differ significantly from the values that would have been used had a readily available market value existed and may differ materially from the amounts the Fund may realize on any disposition of such investments.

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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