



PRINCIPAL REAL ESTATE INCOME FUND DECLARES MONTHLY DISTRIBUTIONS OF \$0.145 PER SHARE

DENVER – April 12, 2017 – Principal Real Estate Income Fund (the “Fund”), which is traded on the New York Stock Exchange under the symbol “PGZ,” announced the declaration of monthly distributions of \$0.145 per common share, payable on the dates noted below. Based on the Fund’s current share price of \$16.40 (as of market close on January 26, 2017), the distributions represent an annualized distribution rate of 10.61%.

The following dates apply to the distributions declared:

| Ex Date | Record Date | Payable Date |
|-------------------|-------------------|-------------------|
| February 16, 2017 | February 21, 2017 | February 28, 2017 |
| March 16, 2017 | March 20, 2017 | March 29, 2017 |
| April 12, 2017 | April 17, 2017 | April 26, 2017 |

RISKS

This press release is not for tax reporting purposes but is being provided to announce the amount of the Fund’s distributions. In early 2018, after definitive information is available, the Fund will send shareholders a Form 1099-DIV, if applicable, specifying how the distributions paid by the Fund during the prior calendar year should be characterized for purposes of reporting the distributions on a shareholder’s tax return (e.g., ordinary income, long-term capital gain or return of capital). An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle.

Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or even all of your investment and exposure to below-investment grade investments (i.e., “junk bonds”). The Fund’s net asset value will vary and its distribution rate may vary and both may be affected by numerous factors, including changes in the market spread over a specified benchmark, market interest rates and performance of the broader equity markets. Fluctuations in net asset value may be magnified as a result of the Fund’s use of leverage. Therefore, before investing you should carefully consider the risks that you assume when you invest in the Fund’s common shares.

Securities backed by commercial real estate assets are subject to market risks similar to those of direct ownership of commercial real estate assets including, but not limited to, declines in the value of real estate, declines in rental or occupancy rates and risks related to general and local economic conditions.

The Fund’s investment objectives and policies are not designed to seek to return the initial investment to investors that purchase shares.

Sources of distributions to shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time, available at www.principalcef.com. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. The rate is the monthly distribution per share times 12, divided by the end of month market price. Past performance is not a guarantee of future results.

Investors should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund. For more complete information about the Fund or to obtain a copy of the prospectus, call your financial professional, visit the Fund's site at www.principalcef.com or call 855.838.9485. Please read the prospectus carefully before investing.

Shares of closed-end investment companies frequently trade at a discount from their net asset value and initial offering prices.

NOT FDIC INSURED | May Lose Value | No Bank Guarantee

The Fund is a closed-end fund and does not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value.

ALPS Advisors, Inc. is the investment adviser to the Fund.

Principal Real Estate Investors LLC is the investment sub-adviser to the Fund. Principal Real Estate Investors LLC is not affiliated with ALPS Advisors, Inc. or any of its affiliates.

ALPS Portfolio Solutions Distributor, Inc., FINRA Member Firm

About ALPS

ALPS provides customized asset servicing and asset gathering solutions to the financial services community through an entrepreneurial culture based on the commitment to "Do Things Right." Founded in 1985, ALPS continues to actively promote all of its various business segments, from asset servicing through ALPS Fund Services, Inc. to asset gathering through ALPS Distributors, Inc. and ALPS Advisors, Inc. Headquartered in Denver, with offices in Boston, New York, Seattle, and Toronto, ALPS, a wholly-owned subsidiary of DST Systems, Inc., today represents more than 400 employees, over 200 clients, and an executive team that has been in place for more than 18 years. For more information about ALPS and its services, visit www.alpsinc.com. Information about ALPS products is available at www.alpsfunds.com.

About Principal Real Estate Investors

Principal Real Estate Investors manages or sub-advises \$71.8 billion in commercial real estate assets, as of December 31, 2016. The firm's real estate capabilities include both public and private equity and debt investment alternatives. Principal Real Estate Investors is the dedicated real estate group of Principal Global Investors, a diversified asset management organization and a member of the Principal Financial Group®.

Media Contacts:

Patricia Lobato
ALPS Advisors, Inc.
720-917-0644
www.alpsinc.com

Jaime Naig
Principal Real Estate Investors
515-247-0798
naig.jaime@principal.com

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