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Principal Asset Management℠

Principal SMID Growth

30 September 2026

Strategy description

The strategy seeks long-term capital appreciation and aims to outperform over market cycles by investing in high growth, small and medium capitalization companies.

Strategy facts

Manager: Principal Equities
Inception: October 1, 2003
Index: Russell 2500 Growth Index
Available vehicles[1]: IMA
Targeted number of holdings[2]: 60-90

Key differentiators

- Focused on investing in good companies that are getting stronger while exceeding investor expectations.
- Experienced in distilling fundamental drivers of a company into 3-5 key essential story elements.
- Diversified across multiple, distinct secular and cyclical growth themes to mitigate concentration risks.

Portfolio management

Christopher Corbett, CFA
31 years' experience

Marc R. Shapiro
24 years' experience

Investment philosophy

We believe it's easier to identify change than to value a stock. We invest in good companies that are getting stronger (fundamental momentum) and exceeding investor expectations (positive surprise) using evidence-based decision making, which includes continuous monitoring of fundamental change versus expectations. This drives our timely, unemotional, and repeatable investment process.

Composite performance (%)

	3M	YTD	1YR	3YR	5YR	10YR	Performance Start (1 October 2003)
Principal SMID Growth (gross)	-6.46	17.53	22.16	19.50	5.94	16.27	14.48
Principal SMID Growth (net)	-6.66	16.79	21.14	18.50	5.04	15.30	13.57
Russell 2500 Growth Index	-10.35	7.28	7.63	14.90	3.45	10.58	10.11

Calendar year returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Principal SMID Growth (gross)	4.46	37.63	-1.76	26.81	84.68	11.42	-29.75	11.86	22.75	12.27
Principal SMID Growth (net)	3.58	36.50	-2.60	25.76	83.19	10.53	-30.36	10.92	21.73	11.33
Russell 2500 Growth Index	9.73	24.46	-7.47	32.65	40.47	5.04	-26.21	18.93	13.90	10.31

Source: Principal Global Investors.
As of September 2026. Investing involves risk, including possible loss of principal. Periods over one year are annualized. Please see disclosures for additional information on performance.

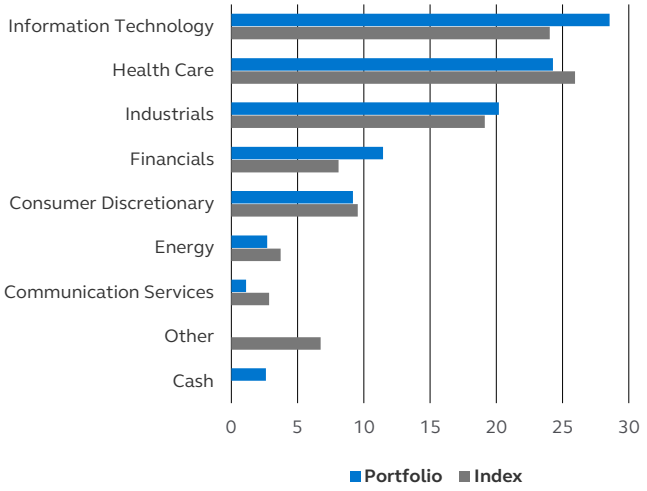
[1]Not all vehicles are available to investors in all jurisdictions.

[2]Investment guidelines are subject to change.

Representative portfolio top 10 holdings (%)[3]

		Location	Sector	Portfolio	Index	Active weight[4]
1	Idex Corporation	United States	Industrials	3.0	—	3.0
2	Permian Resources Corporation	United States	Energy	2.7	0.1	2.6
3	Ralliant Corporation	United States	Information Technology	2.7	—	2.7
4	Applied Industrial Technologies Incorporated	United States	Industrials	2.7	—	2.7
5	Wsfs Financial Corporation	United States	Financials	2.5	—	2.5
6	Akamai Technologies, Inc.	United States	Information Technology	2.4	—	2.4
7	Everpure, Inc.	United States	Information Technology	2.4	—	2.4
8	Cdw Corporation	United States	Information Technology	2.3	—	2.3
9	Littelfuse, Inc.	United States	Information Technology	2.2	—	2.2
10	Wisdomtree, Inc.	United States	Financials	2.2	0.1	2.0

Representative portfolio sector allocation (%)[3]



Representative portfolio characteristics[3]

	Portfolio	Index
EPS Growth - NTM	31.86	35.44
Price/earnings – last 12 months	37.32	31.59
Sales Growth - NTM	16.36	21.95
Number of holdings	84	1,275
Market cap (weighted average)	$11.9B	$7.7B

Composite risk statistics (gross)[5]

	3YR	5YR
Sharpe ratio	0.71	0.09
Standard deviation	20.76	21.72
Information ratio	0.64	0.39
Tracking error	7.24	6.45

[3] Source: FactSet. FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

[4] Portfolio security weight minus the benchmark security weight.

[5] Source: Principal Global Investors.

Due to rounding, figures and percentages shown may not add to the total or equal 100%. The index benchmarks are referred to for comparative purposes only and are not necessarily intended to parallel the risk or investment approach of the portfolios included in the composites and the methods of calculating performance of the composite and the index may not be identical.

Investment process overview



Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal. Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility. Equity stocks of mid-cap companies carry greater risks including that they may be more volatile and less liquid than equity stocks of larger, more established companies.
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All figures shown in this document are in U.S. dollars unless otherwise noted.
Indices are unmanaged and do not take into account fees, expenses and transaction costs are not available for direct investment.
The Russell 2500™ Growth Index measures the performance of the small to mid-cap growth segment of the US equity universe. It includes those Russell 2500 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Russell 2500 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to midcap growth market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect growth characteristics.

Composite Performance results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce portfolio performance. Net performance results reflect a reduction for investment advisory fees based on the firm's applicable asset management fee schedule. For the periods from January 1, 2021 through February 28, 2021 composite net returns are calculated by applying the actual fee schedules at the underlying portfolio level. For all other time periods composite net returns are calculated by applying the current highest management fee. Additional information on calculation of composite performance data is available on request.

Each portfolio included in the composite is managed according to its own individual investment restrictions and limitations and therefore their characteristics may vary from those of the Representative Portfolio shown. Portfolio performance, characteristics and volatility may differ from the benchmark shown. Holdings and weightings are subject to change daily.

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