

Principal Spectrum Preferred Securities Active ETF (PREF)

Second quarter 2026

Fund overview

The Fund seeks to provide current income through active security selection, exclusively in the \$1,000 par institutional preferred securities sector.

Morningstar overall rating:

★ ★ ★ ★

Overall Morningstar RatingTM as of 06/30/2026 among 66 Preferred Stock Funds

Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

Trading information

Symbol CUSIP
PREF 74255Y888

Exchange
NYSE Arca

Portfolio management

Mark A. Lieb
49 years of experience

Lewis Jacoby
44 years of experience

Kevin Nugent
42 years of experience

Bob Giangregorio
23 years of experience

Manu Krishnan, CFA
22 years of experience

Satomi Yarnell
17 years of experience

Fund information

	Fund	Index
Net assets	\$1.7B	—
Number of holdings	159	175
Dividend frequency	Monthly	—
Average effective duration	4.3	4.5
Qualified dividend income ¹	54.8%	28.1%
Yield to worst	6.0%	5.8%
Average yield to maturity ²	7.3%	6.5%

Source: Spectrum Asset Management

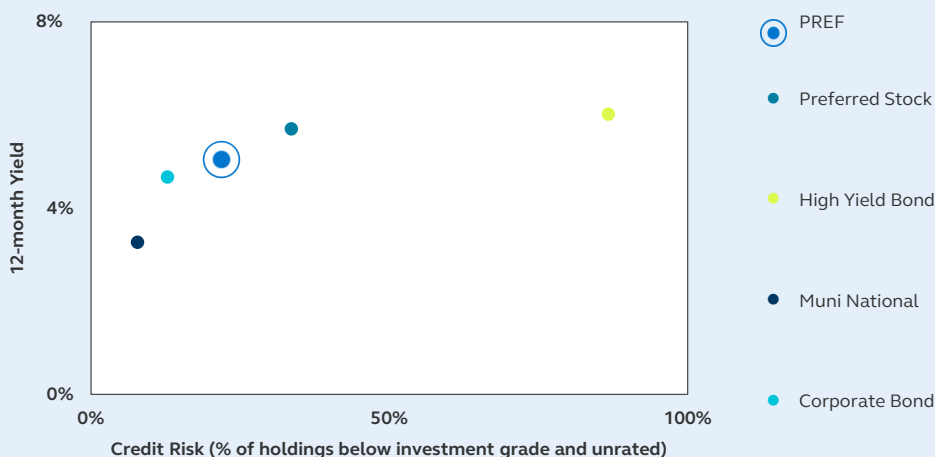
¹ For more detailed tax information, consult your tax attorney or accountant.

² Weighted average of the underlying securities in the portfolio.

Active management based on specialized research and dynamic security selection to manage complex global markets

- A 30-year history analyzing, managing, and pricing complex security structures across a variety of credit, interest rate, and regulatory conditions.
- Dedicated exposure to \$1,000 par preferred securities, designed to offer attractive yields and diversification benefits while reducing risk.
- Fixed-to-float and fixed-to-variable securities may offer higher back-end spreads that may result in increased coupons to help manage interest rate risk.

Competitive yield relative to risk among Morningstar peer groups

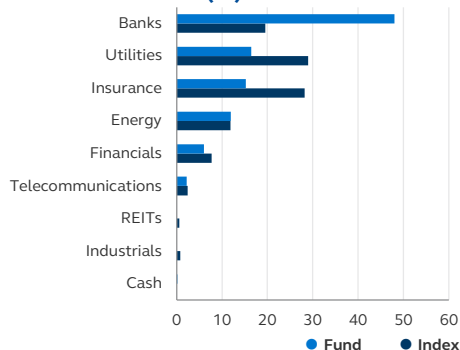


Source: Morningstar. Percentage of below investment grade and unrated holdings is as of the previous quarter-end, which is the most recent data available. Yields shown are as of the current quarter-end. 12-month yield is the sum of fund(s) total trailing 12-month interest and dividend payments divided by the last month's ending share price (NAV) plus any capital gains distributed over the same period.

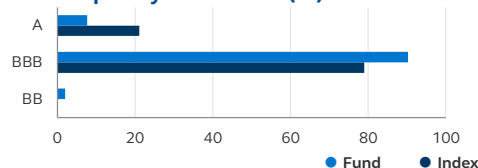
Why allocate to a portfolio:

- Provides actively managed exposure to institutional \$1,000 par preferred securities not prevalent in the retail \$25 par market, through a competitively priced vehicle.
- \$1,000 par preferreds may offer a higher yield and enhanced income, including the potential for tax-advantaged income for individual U.S. taxpayers.
- PREF is a potentially attractive replacement for passive strategies that can't actively manage for credit and call risk.

Overall Morningstar RatingTM as of 06/30/2026 among 66 Preferred Stock Funds. Ratings for other time periods: 3 yr 3 stars/66 funds; 5 yr 4 stars/59 funds; 10 yrs —/. Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

Sector allocation (%)³

³ Source: Spectrum Asset Management. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash.

Credit quality allocation (%)^{3,4}

⁴ Source: Bloomberg, Moody's, S&P, Fitch, Spectrum Asset Management. Credit quality refers to the credit ratings for the underlying securities in the Fund as rated by Standard & Poor's, Moody's Investors Service, or Fitch typically range from AAA/Aaa (highest) to C/D (lowest). If Moody's, S&P, and/or Fitch assign different ratings, the highest of the 3 ratings is used. Ratings methodologies and individual ratings can change over time. Senior debt ratings are typically several notches higher than those of preferred securities. Data from outside sources is believed to be reliable, but has not been verified.

Portfolio statistics³

Institutional/retail breakout	
\$25 par	—
\$1,000 par	99.9%
CoCo	—
Derivatives	—
Cash	0.1%
Average price/coupon	
\$25 par	—
\$1,000 par	\$101.79
CoCo	—
Coupon structure	
Average coupon	6.4%
% Fixed-rate	0.6
% Fixed-to-floating rate	2.7
% Floating-rate	0.7
% Fixed-to-variable rate	95.9

Performance

	Total returns (%)									Yields (%)	
	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception (07/10/2017)	Expense ratio ⁷ (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) ⁸	Distribution yield ⁹
Net asset value (NAV) return	2.46	2.17	6.03	9.35	3.12	—	4.24	0.55/0.55	—	5.24/5.24	5.33
Market price return	2.63	2.16	5.77	9.19	3.05	—	4.23	—	—	—	—
ICE BofA US Investment Grade Institutional Capital Securities Index ^{5,6}	2.30	1.98	6.29	8.92	3.76	—	4.91	—	—	—	—
Calendar year returns (%)			2018	2019	2020	2021	2022	2023	2024	2025	
Net asset value (NAV) return			-5.62	17.78	7.60	2.10	-11.58	7.13	11.56	7.89	
Market price return			-5.47	17.38	7.51	2.08	-11.80	7.37	11.42	7.64	
ICE BofA US Investment Grade Institutional Capital Securities Index ^{5,6}			-4.52	18.57	8.22	2.46	-10.18	9.66	9.75	8.64	

Source: State Street and Principal Global Investors

Performance data quoted represents past performance. Past performance is no guarantee of future results and investment returns, and principal value of the Fund will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. Visit www.PrincipalAM.com/ETF for current month-end performance.

⁵ The ICE BofA US Investment Grade Institutional Capital Securities Index tracks the performance of U.S. dollar denominated investment grade hybrid capital corporate and preferred securities publicly issued in the U.S. domestic market.

⁶ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

⁷ The net expense ratio reflects contractual expense limits, if any, which may lower net expenses and cause the gross and net expense ratios to differ. In such cases a date is listed through which expense limits are expected to apply; however, Principal Exchange-Traded Funds and the investment adviser may mutually agree to terminate the expense limits prior to the end of the period. Returns displayed are based on net total investment expense.

⁸ The 30-Day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. It is calculated based on the standardized formula set forth by the SEC. It is designed to standardize the yield calculation so that all exchange traded fund companies with the same or similar portfolios use a uniform method to obtain yield figures.

⁹ As of July 1, 2026. The distribution yield is calculated by annualizing actual dividends distributed for the dividend period (monthly, quarterly, etc.) ending on the most recent dividend distribution date and dividing by the net asset value for the same date. The yield does not include long- or short-term capital gains distributions.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar ratings do not reflect the inclusion of sales charges. If sales charges were reflected, ratings could be lower.

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Duration: The sensitivity of a fixed-income investment's principal value to interest rate changes. **Qualified dividend income (QDI):** Qualified dividends are subject to capital gains tax rates that are lower than ordinary dividends. **Yield to worst:** The lowest potential yield that can be received on a bond without the issuer defaulting. **Yield to maturity:** Rate of return anticipated on a bond if held until maturity. Returns shown for periods of less than one year are not annualized.

Risks: Asset allocation and diversification do not ensure a profit or protect against a loss. Investing in ETFs involves risk, including possible loss of principal. ETFs are subject to risk similar to those of stocks, including those regarding short-selling and margin account maintenance. Investor shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Ordinary brokerage commissions apply.

Fixed income investments are subject to interest rate risk; as interest rates rise their value will decline. Risks of preferred securities differ from risks inherent in other investments. In particular, in a bankruptcy preferred securities are senior to common stock but subordinate to other corporate debt.

Unlike typical ETFs, there are no indices that the Principal Spectrum Preferred Securities Active ETF attempts to track or replicate. Thus, the ability of the Fund to achieve its objectives will depend on the effectiveness of the portfolio manager.

ETFs can be tax efficient in that they are exchange-traded and redeem creation units from authorized participants by using redemptions in kind, which are not taxable transactions for the Fund. However, capital gains are still possible in an ETF, and if you reinvest the earnings of the ETF, you may owe taxes on your funds even if you didn't sell any shares, potentially eating into your returns.

Spectrum Asset Management, Inc. is the investment manager of the fund and is an affiliate of Principal Global Investors, the investment adviser for Principal ETFs.

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