

PRINCIPAL U.S. MEGA-CAP ETF (USMC)

Missing out on mega cap performance and risk profile

- Active large-cap equity managers often favor mid-caps, inadvertently underweighting mega-caps companies, creating portfolio gaps
- Investors seeking defensive exposure to U.S. large-caps may want to consider mega-caps
- Strategic mega-cap portfolio construction may offer the potential for better returns with less risk at a lower cost

Underweighting the “magnificent seven” mega-cap companies—Tesla, Apple, Amazon, Microsoft, NVIDIA, Alphabet, and Meta—hurt many portfolios in recent years. These seven companies currently make up 32% of the S&P 500 Index.*²

YOUR PORTFOLIO MAY BE UNDERWEIGHTING MEGA-CAPS*¹

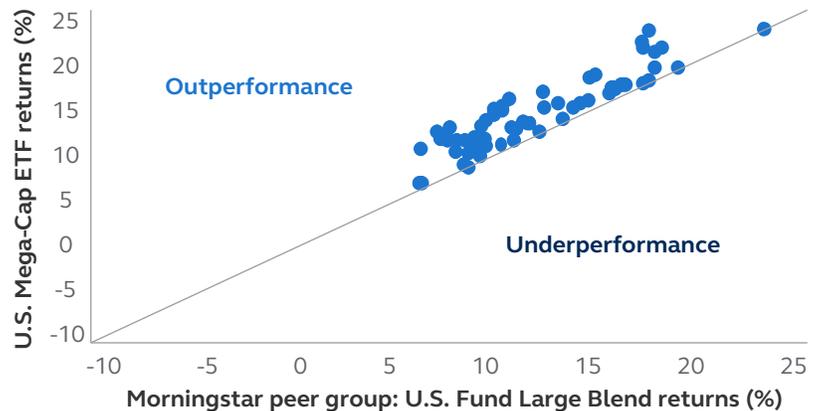
	Market-cap			
	Mega (%)	Large (%)	Mid (%)	Small (%)
Principal U.S. Mega-Cap ETF	72	28	0	0
S&P 500 TR	46	35	18	1
US Fund Large Blend	56	17	19	4
US Fund Large Growth	63	16	16	3
US Fund Large Value	28	32	30	6

Fundamental concepts, systematically applied

This active strategy has the potential to deliver consistent outperformance, while avoiding overconcentration in market titans. It aims to deliver steady, reliable large-blend exposure for investors seeking balanced risk management.

USMC outperformed its peer group average 98% of the time.

ROLLING 3-YEAR RETURNS Since inception



As of March 31, 2026. Source: Morningstar. Performance is Principal U.S. Mega-Cap ETF (USMC) versus Morningstar peer group U.S. Fund Large Blend. Rolling 3-year periods calculated monthly.

*¹ As of March 31, 2026. Source: Morningstar. Market cap breakdown is applicable for equity funds. It gives information about the market capitalization range of the shares the Fund is investing in. In general, large-cap companies' shares are considered to be less risky compared to medium- and small-cap companies. So this breakdown information is also a decisive factor while choosing a scheme. Market capitalization, applicable to equity and balanced strategies, classifies a stock as giant, large, mid, small, and micro based on its position in the cumulative capitalization of its style zone. Mega-cap stocks are those that together account for the top 40% of the capitalization of each style zone; large-cap stocks represent the next 30%; mid-cap stocks represent the next 20%; small-cap stocks represent the next 7%; and micro-cap stocks represent the remaining 3% balance. The market cap breakdown allows investors to see the whole range of companies held by the Fund.

*² As of March 31, 2026. Source: FactSet. For a full list of Principal U.S. Mega-Cap ETF holdings, please visit PrincipalAM.com/us/fund/usmc.

Creative mega-cap portfolio construction has historically been advantageous for long-term investors seeking to lessen the impact of market downturns, ultimately providing stability and durability over market cycles.

BETTER RETURNS DURING MARKET DOWNTURNS

USMC vs. S&P 500 Index

U.S.-China trade war

9/20/2018-12/24/2018

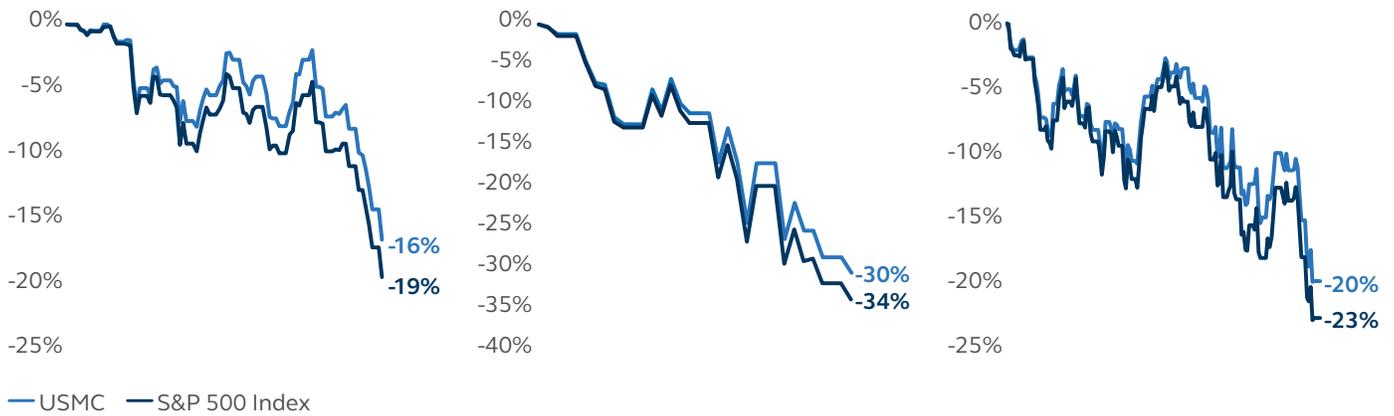
COVID-19 crisis

2/19/2020-3/23/2020

Fed tightening and

Russia/Ukraine conflict

1/3/2022-6/20/2022

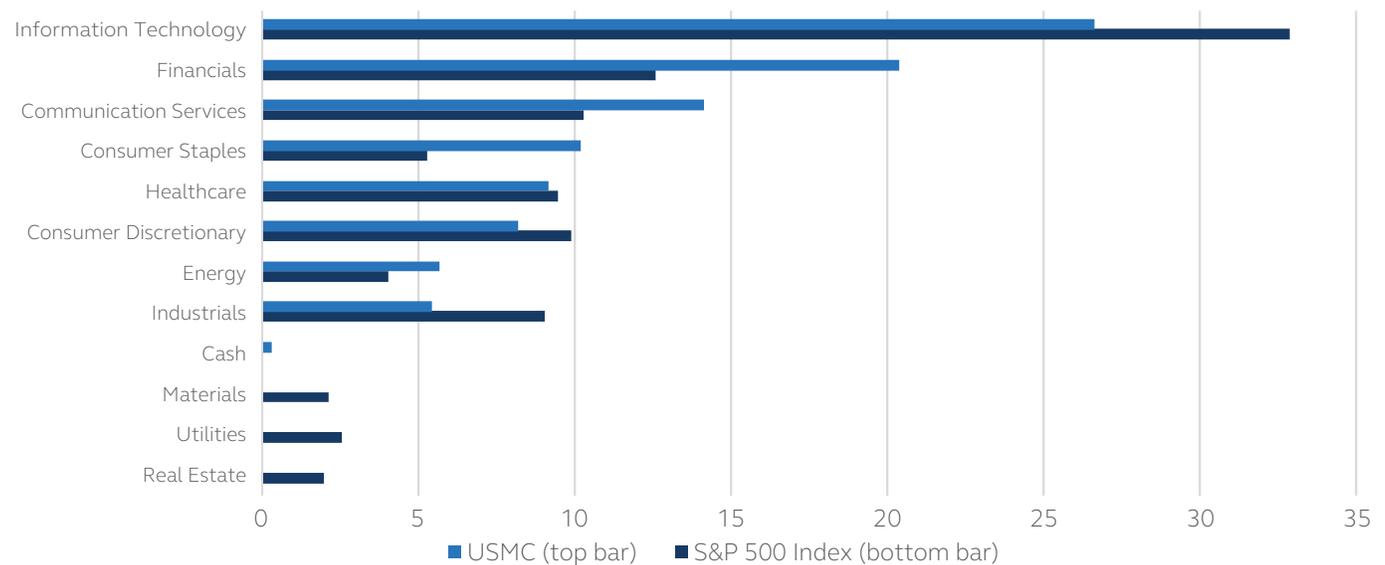


Source: Morningstar. Data represents daily returns. Three largest market downturns since USMC inception. Past performance does not guarantee future results.

USMC isn't just a tech fund—while it has a 27% allocation to the technology sector, the strategy also provides exposures to various sectors.

NOT JUST A TECH FUND

Sector exposures (%): USMC vs. S&P 500 Index



As of March 31, 2026. Source: FactSet.

USMC CAN COMPLEMENT YOUR PORTFOLIO AND MAY HELP LARGE-CAP PERFORMANCE WITH LESS RISK

USMC’s simple, straightforward approach to refining mega-cap exposure has historically delivered higher returns with less risk, providing better investment outcomes through multiple market cycles.



As of March 31, 2026. Source: Morningstar. USMC first full month of inception was November 2017. Performance is annualized.

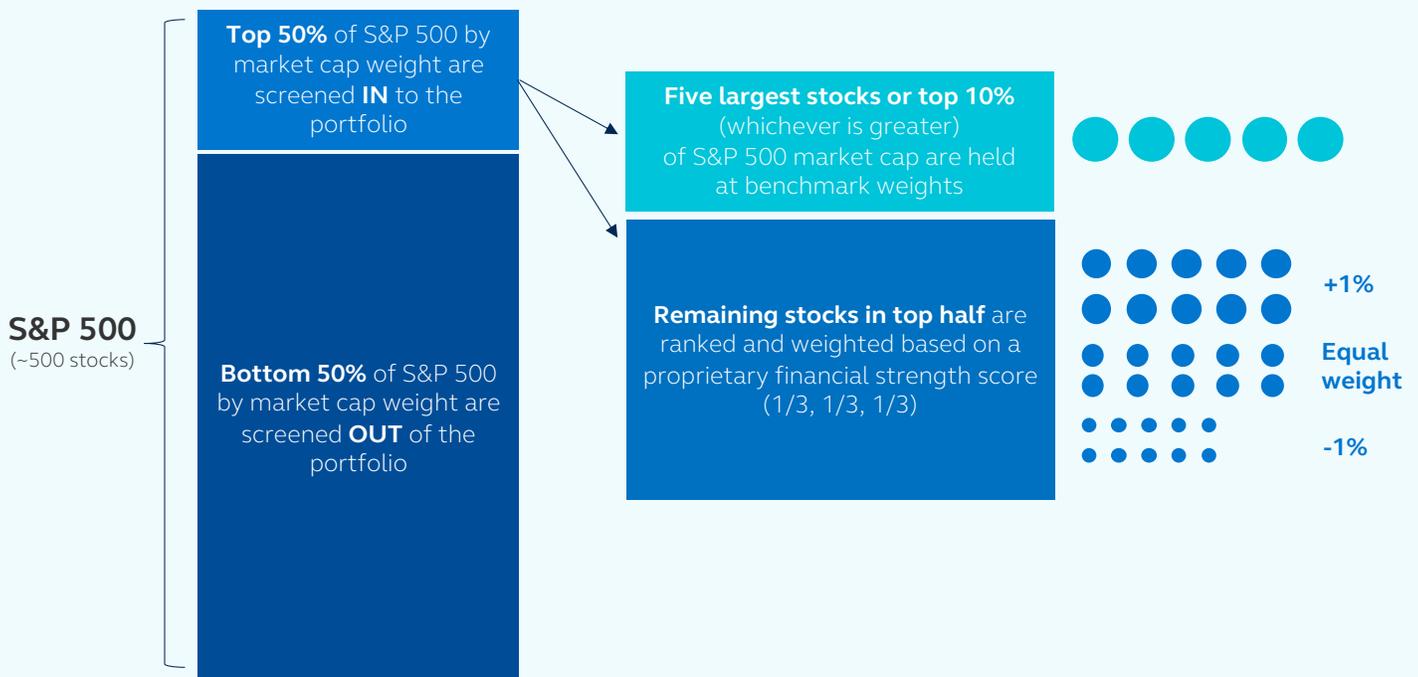
Standard deviation: Measures how widely portfolio returns have varied.

Principal U.S. Mega-Cap ETF (USMC)

Cost effective exposure to high-quality mega-cap companies

USMC is designed to provide lower volatility exposure to the largest U.S. companies. At its core, the strategy emphasizes financial strength by systematically evaluating companies’ balance sheets, income statements, and other fundamental metrics to identify those with superior financial quality. This focus on financial strength goes well beyond traditional market-cap weighting, targeting companies built on solid financial foundations. USMC’s consistent exposure to high-quality mega-caps and various sectors have helped deliver attractive risk-adjusted returns.*3

Active, rules-based process



For illustrative purposes only. Portfolio rebalances at least once per year.

*3 Past performance does not guarantee future results.

USMC defensive strength in a volatile era

By targeting financially sound, globally diversified market leaders, USMC aims to deliver a resilient core equity allocation capable of weathering macroeconomic disruptions and policy shifts.

Conclusion

Amid heightened market volatility and evolving geopolitical risks, a strategic allocation to financially robust mega-cap U.S. equities may offer investors a compelling blend of defense and growth. These companies—often the anchors of global commerce—typically demonstrate substantial scale, resilience, and balance sheet strength to navigate uncertain terrain.



Overall Morningstar Rating™ as of 03/31/2026
among 1,212 Large Blend Funds.*4

Performance as of March 31, 2026

	Total returns (%)					Yields (%)		
	3-month	1-year	3-year	5-year	Since inception (10/11/2017)	Expense ratio*5 (net/gross)	30-day SEC (Unsubsidized/subsidized)*6	Distribution yield*7
Net asset value (NAV) return	-5.97	13.93	18.72	13.31	13.56	0.12/0.12	0.83/0.83	0.91
Market price return	-6.05	14.23	18.70	13.27	13.55	—	—	—
S&P 500® Index	-4.33	17.80	18.30	12.06	13.55	—	—	—
Morningstar rankings	3-month	1-year	3-year	5-year				
Morningstar percentile ranking	—	69	18	7				
# of investments in Morningstar category: Large Blend	—	1,312	1,212	1,122				

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 for current month-end performance.

Source: Principal Global Investors, Morningstar, State Street. Morningstar percentile rankings are based on total returns. Total returns for periods longer than one year are average annual total returns. Total returns shown for periods of less than one year are not annualized. Prior to June 10, 2022, the objective and strategy of Fund differed from its current objective and strategy. Accordingly, performance of the Fund for periods prior to that date may not be representative of the performance the Fund would have achieved had the Fund been following its current objective and strategy.

USMC Morningstar ratings for other time periods: 3-year: 4 stars out of 1,212 funds, 5-year: 5 stars out of 1,122 funds.

*4 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.

*5 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.

*6 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. Unsubsidized yield reflects what the SEC yield would be if the investment company were not waiving a portion of the Fund’s expense ratio. Subsidized yield would reflect a Fund’s yield incorporating all expense ratios waivers.

*7 As of April 01, 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.



Want to learn more? Contact your Principal representative or visit PrincipalAM.com.

Not authorized for distribution unless preceded or accompanied by a current prospectus, or a summary prospectus if available, that includes information about the fund's objectives, risks, charges, and expenses. Please read it carefully before investing.

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.

Equity investments involve greater risk, including heightened volatility, than fixed income investments.

S&P 500® Index includes 500 leading companies in industries of the US economy. It was first published in 1957. Information regarding the comparison to the S&P 500® Index is available upon request. S&P 500® is a trademark of S&P Global and is used under license. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.

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

© 2026 Morningstar, Inc. All Rights Reserved. Part of the data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Morningstar percentile rankings are based on total returns. Funds shown may have recent negative performance. Please call 800-222-5852 for current performance information.

The views presented here represent the opinion of the investment manager and/or other presenters and may not come to pass. Unless otherwise noted, the information presented has been derived from sources believed to be accurate; however, we do not independently verify or guarantee its accuracy or validity. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security, nor an indication that the investment manager or its affiliates has recommended a specific security for any client account. Subject to any contrary provisions of applicable law, the investment manager and its affiliates, and their officers, directors, employees, agents, disclaim any express or implied warranty of reliability or accuracy and any responsibility arising in any way (including by reason of negligence) for errors or omissions in the information or data provided.

Unless otherwise noted, the information in this document has been derived from sources believed to be accurate as of the date of publication. Information derived from sources other than Principal Global Investors, or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity.

ALPS Distributors, Inc is the distributor of the Principal ETFs. ALPS Distributors, Inc and Principal Funds are not affiliated.

Principal Asset Management® is a trade name of Principal Global Investors, LLC.

© 2026 Principal Financial Services, Inc. Principal®, Principal Financial Group®, Principal Asset Management, and Principal and the logomark design are registered trademarks and service marks of Principal Financial Services, Inc., a Principal Financial Group company, in various countries around the world and may be used only with the permission of Principal Financial Services, Inc.

MM13587-11 | 05/2026 | 5456740-082026 | PRI002154-082028