

Principal Spectrum Tax-Advantaged Dividend Active ETF

Second quarter 2024

Fund overview

The Fund seeks to provide current income, focusing on investments with qualified dividend income ("QDI") with other investments not eligible for favorable tax treatment. The fund invests in securities from all sectors of the global U.S. dollar capital securities market.

Morningstar overall rating:

★★★★

Overall Morningstar RatingTM as of 06/30/2024 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: PQDI
CUSIP: 74255Y763

Exchange: NYSE Arca

Portfolio management

Mark A. Lieb

47 years of experience

L. Phillip Jacoby, IV

42 years of experience

Kevin Nugent

40 years of experience

Fred Diaz

32 years of experience

Bob Giangregorio

21 years of experience

Manu Krishnan, CFA

20 years of experience

Satomi Yarnell

15 years of experience

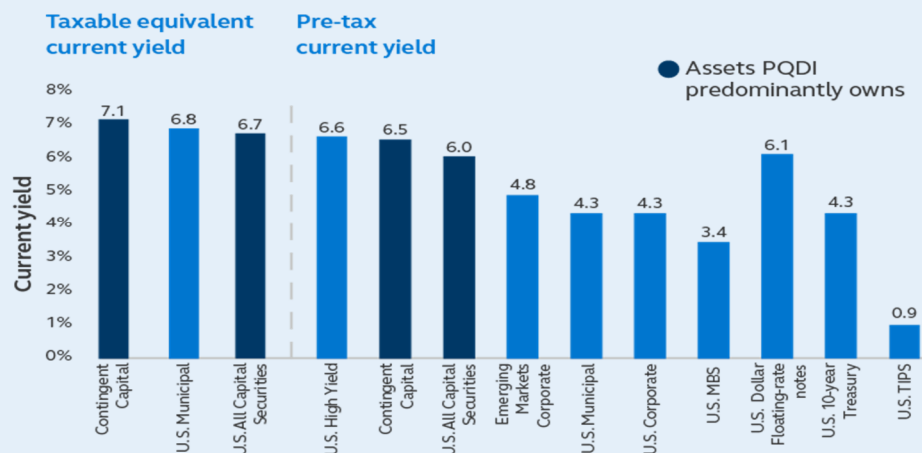
Fund information

	Fund	Index
Net assets	\$24.2M	—
Number of holdings	51	102
Dividend frequency	Monthly	—
Average effective duration	2.5	4.7
Qualified dividend income ¹	95.8%	100.0%
Yield to worst	6.3%	6.3%
Average yield to maturity ²	7.8%	6.9%

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

- Targeted exposure to qualified dividends designed to help U.S. taxpayers boost their after-tax income.
- Selecting higher-quality preferred and capital securities with improving credits and seeking to avoid speculative risks may deliver attractive risk-adjusted returns.
- Active management expertise analyzing, managing, and pricing complex security structures across a variety of credit, interest rate, and regulatory conditions.

Qualified dividends favor individual U.S. taxpayers

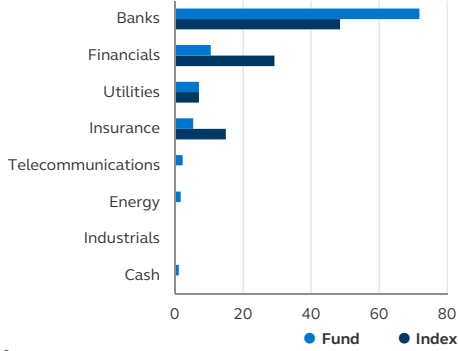


Source: Spectrum Asset Management, Inc., Bloomberg LLP, ICE. As of December 31, 2023. Indices are unmanaged and individuals cannot invest directly in an index. Index definitions are on the next page. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements. Note: Taxable equivalent current yields are calculated by segmenting the applicable index income paid by QDI-eligible securities from income paid by non-QDI-eligible securities, and tax adjusting such income by 20% and 37%, respectively. QDI-eligible income may be taxed at lower rates for investors in lower income tax brackets. Investors should consult their tax advisor.

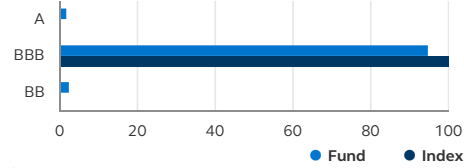
Why allocate to a portfolio:

- Replace less tax-efficient, lower-quality, high yield debt with more tax-efficient, higher-quality preferred and capital securities.
- Complement or replace passive, index-based strategies for active exposure to preferred and capital securities.
- Reposition assets from higher volatility positions to preferred and capital securities for quality, tax-advantaged income.

Overall Morningstar RatingTM as of 06/30/2024 among 66 Preferred Stock Funds. Ratings for other time periods: 3 yr 4 stars/66 funds; 5 yr —/59 funds; 10 yrs —/38. 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	7.3%
\$1,000 par	69.3%
CoCo	22.3%
Derivatives	—
Cash	1.1%
Average price/coupon	
\$25 par	\$22.06
\$1,000 par	\$97.38
CoCo	\$100.59
Coupon structure	
Average coupon	5.6%
% Fixed-rate	5.6
% Fixed-to-floating rate	5.2
% Floating-rate	0.0
% Fixed-to-variable rate	88.1
Geographic allocation	
U.S. securities	67.5%
Non-U.S. securities	31.3%

Performance

	Total returns (%)								Yields (%)			
	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception (06/16/2020)	Expense ratio ⁷ (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) ⁸	Distribution yield ⁹	
Net asset value (NAV) return	1.74	5.56	12.52	0.49	—	—	3.48	0.60/0.60	—	5.01/5.01	5.05	
Market price return	1.72	5.45	12.66	0.55	—	—	3.59	—	—	—	—	
ICE BofA 7% Constrained DRD Eligible Preferred Securities Index ^{5,6}	0.58	5.59	12.29	-1.35	—	—	2.03	—	—	—	—	
Calendar year returns (%)			2021			2022			2023			
Net asset value (NAV) return				2.86			-9.59			6.24		
Market price return				3.07			-9.58			6.21		
ICE BofA 7% Constrained DRD Eligible Preferred Securities Index ^{5,6}				2.24			-13.99			5.90		

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.

Source: Spectrum Asset Management

¹ For more detailed tax information, consult your tax attorney or accountant. There can be no assurance as to the portion of the Fund's distributions that will qualify for favorable federal income tax treatment. The Fund may make investments and pay dividends that are ineligible for favorable tax treatment or that otherwise do not meet the requirements for such treatment, and shareholders must satisfy certain requirements to take advantage of beneficial tax treatment.

² Weighted average of the underlying securities in the portfolio.

⁵ The ICE BofA 7% Constrained DRD Eligible Preferred Securities Index (PODC) tracks the performance of investment-grade preferred securities that are DRD eligible, but caps issuer exposure at 7%.

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, 2024. 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. **Barclays Global Inflation-Linked: U.S. TIPS index (U.S. TIPS)** consists of Inflation-Protection securities issued by the U.S. Treasury. **Bloomberg U.S. Mortgage Backed Securities Index (U.S. MBS)** is the U.S. MBS component of the U.S. Aggregate index. **Bloomberg U.S. Dollar Floating Rate Note Index (U.S. FRN)** provides a measure of the U.S. dollar denominated floating rate note market. The index measures the performance of floating rate notes across sector, credit quality, maturity, and asset class sectors. **ICE BofA Fixed Rate Preferred Securities Index (POP1)** tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. **ICE BofA U.S. All Capital Securities Index (IOCS)** tracks the performance of fixed rate, U.S. dollar denominated hybrid corporate and preferred securities publicly issued in the U.S. domestic market. **ICE BofA Contingent Capital Index (COCO)** tracks the performance of investment grade and below investment grade contingent capital debt publicly issued in the major domestic and eurobond markets. **ICE BofA U.S. High Yield Index (HOAO)** tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. **ICE BofA U.S. Corporate Index (COAO)** tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market. **ICE BofA Emerging Markets Corporate Plus Index (EMCB)** tracks the performance of U.S. dollar and euro denominated emerging markets non-sovereign debt publicly issued in the major domestic and eurobond markets. **ICE U.S. Broad Municipal Index (MUNI)** tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market. **ICE BofA Current 10-Year U.S. Treasury Index (GA 10)** is a one-security index comprised of the most recently issued 10-year U.S. Treasury note.

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. Contingent capital securities (CoCos) may have substantially greater risk than other securities in times of financial stress. An issuer or regulators decision to write down, write off or convert a CoCo may result in complete loss on an investment. Real estate investment options 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. Unlike typical ETFs, there are no indices that the Principal Spectrum Tax-Advantaged Dividend 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.

Carefully consider a fund's objectives, risks, charges, and expenses. This material must be preceded or accompanied by a prospectus. Please read it carefully before investing.

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