

# Principal Focused Blue Chip ETF

First quarter 2024

## Fund overview

A semi-transparent ETF that seeks long-term growth of capital. The Fund invests for the long-term in high-quality companies led by owner-operators, aiming for long-term outperformance with less risk.

## Trading information

### Symbol

BCHP

### Exchange

Cboe

## Portfolio management

### K. William Nolin, CFA

31 years of experience

### Thomas Rozycki, CFA

24 years of experience

## Fund information

	Fund
Net assets	\$38.0M
Number of holdings	22
Operating margin	28.7%
Active share	71.2%
Market cap <sup>1</sup>	980.3
Turnover <sup>2</sup>	-

Source: FactSet, Principal Global Investors

<sup>1</sup> Weighted average

<sup>2</sup> Turnover is calculated semi-annually; reflects most recent available calculation.

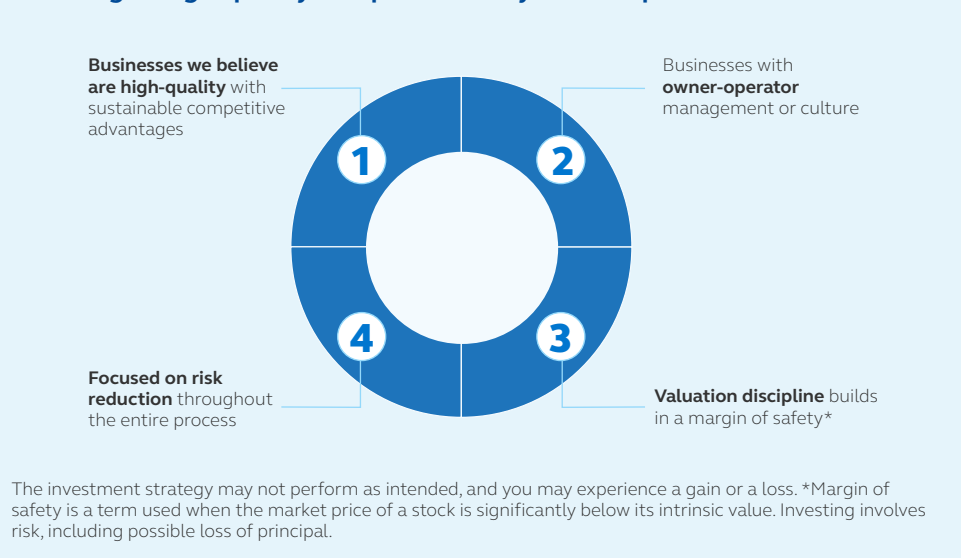
Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

**Active share:** Measures how much different portfolio weights in securities are from benchmark weights. The higher the active share, the more the portfolio differs from the benchmark.

## Highly active approach focused on owner-operators

- A wide latitude to depart from index weights results in higher active share and more concentrated top holdings than peers.
- Aligned incentives: Owner-operators tend to be passionate and cost conscious. We believe they have longer-term outlooks and are better capital allocators.
- An experienced team with a history of delivering risk-adjusted returns over market cycles.

## Investing in high-quality companies led by owner-operators



## Why allocate to a portfolio:

- **Long-term U.S. equity holding:** Aims to outperform large-cap indices through market cycles with less risk.
- **Complementary to indices:** Highly active approach complements passive core equity holdings because companies with large inside ownership (the owner-operators the team emphasizes) are underrepresented in indices.
- **Tax efficient:** Seeks to improve investor outcomes with the greater tax efficiency of an ETF.

## This ETF is different from traditional ETFs.

Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may create additional risks for your investment. For example:

You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.

The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders.

These additional risks may be even greater in bad or uncertain market conditions.

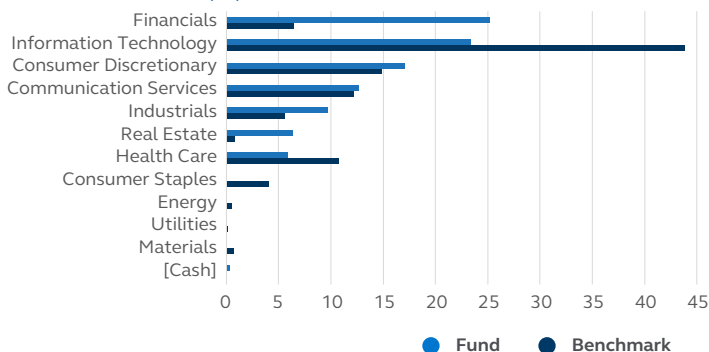
The ETF will publish on its website each day a "Tracking Basket" designed to help trading in shares of the ETF. While the Tracking Basket includes some of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance. For additional information regarding the unique attributes and risks of this ETF, see the additional risk discussion at the end of this material and the Principal Risks section of the prospectus.

Top 10 holdings<sup>3</sup>

	% of net assets
MICROSOFT CORP	13.8
AMAZON.COM INC	11.8
ALPHABET INC	11.1
MASTERCARD INC	7.2
TRANSDIGM GROUP INC	4.7
PROGRESSIVE CORP	4.7
BROOKFIELD CORP	4.6
DANAHER CORP	4.4
VISA INC	4.4
INTUIT INC	3.5
<b>Total</b>	<b>70.3</b>

<sup>3</sup> Source: State Street. The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

Sector allocation (%)<sup>4</sup>

<sup>4</sup> Source: FactSet. 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.

## Performance, rankings, &amp; ratings

	3-month	1-year	3-year	5-year	10-year	Since inception (7/12/2023)	Expense ratio <sup>5</sup> (net/gross)	Expense limit expiration date	Yields (%)	
									30-Day SEC (Unsubsidized/subsidized) <sup>6</sup>	Distribution yield <sup>7</sup>
Net asset value (NAV) return	9.65%	—	—	—	—	25.16%	0.58/0.58	—	-0.10/-0.10	0.19
Market price return	9.65%	—	—	—	—	25.20%	—/—	—	—	—
Russell 1000 Growth Index	11.41%	39.00%	12.49%	18.50%	15.97%	22.64%	—/—	—	—	—

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 [PrincipalAM.com/ETF](https://PrincipalAM.com/ETF) for current month-end performance.

<sup>5</sup> 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 expense.

<sup>6</sup> 30-Day SEC yield represents net investment income earned by a fund over a 30-day period, stated as an annual percentage. Unsubsidized yield reflects the SEC yield when some fund expenses are not waived. Subsidized yield reflects a fund's yield when all expense waivers are included.

<sup>7</sup> As of 12/27/2023. 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.

## 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.

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

The fund is non-diversified, so it may invest a high percentage of its assets in the securities of a small number of issuers and is more likely than diversified funds to be significantly affected by a specific security's poor performance.

This Fund is new and has limited operating history.

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 reducing your returns.

**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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