

Principal Edge SMA Equity Income

First quarter 2024

Strategy overview

The strategy seeks a relatively high level of current income along with long-term growth of income and capital by investing primarily in dividend paying equity securities of U.S. large-cap companies.

Portfolio management

Daniel R. Coleman

45 years of experience

Nedret E. Vidinli, CFA

28 years of experience

Sarah E. Radecki, CFA

28 years of experience

Characteristics^{1,2,3}

	Portfolio	Index
Number of holdings	64	846
Active share	79.2%	—
Expected turnover	15%-25%	—
Market cap ⁴	\$236.8B	\$158.4B
Operating margin (5-year average)	18.5%	17.5%
Return on capital (5-year average)	12.8%	10.8%
Price/earnings - trailing	23.1	21.8
Price/earnings - forward	16.9	18.1
Dividend Yield - Current	2.3%	2.1%
Dividend yield - indicated ⁴	2.4%	2.2%

Top 10 holdings^{1,2}

	% of net assets
Marathon Petroleum Corporation	4.5
Kkr & Co Inc	3.6
Jpmorgan Chase & Co.	3.3
Trane Technologies Plc	2.8
Morgan Stanley	2.8
Merck & Co., Inc.	2.7
Parker-Hannifin Corporation	2.6
Costco Wholesale Corporation	2.6
Paccar Inc	2.5
Pnc Financial Services Group, Inc.	2.5
Total	29.9

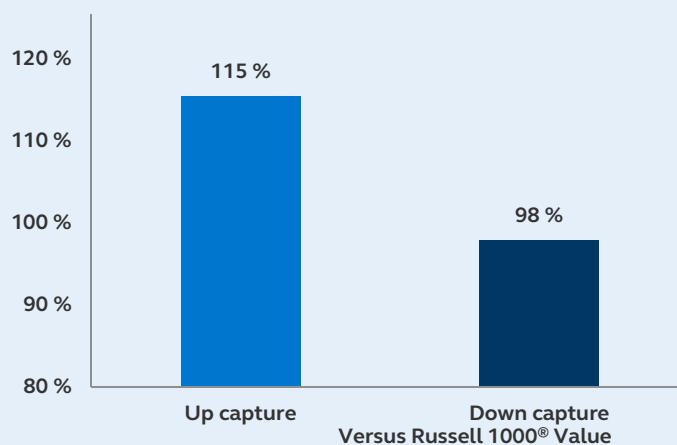
See disclosure section for additional details.

Dividends are the hallmark of great companies

- **Growers, not just payers.** Dividend growers and payers have historically had higher returns with less risk than non-dividend paying stocks.⁵
- **Powered by great companies.** A quality-first mentality removes subpar operators, helping to avoid value traps.
- **Sector neutral to help mitigate risk.** We are focused on selecting great companies, not timing sectors.

Performance versus the index

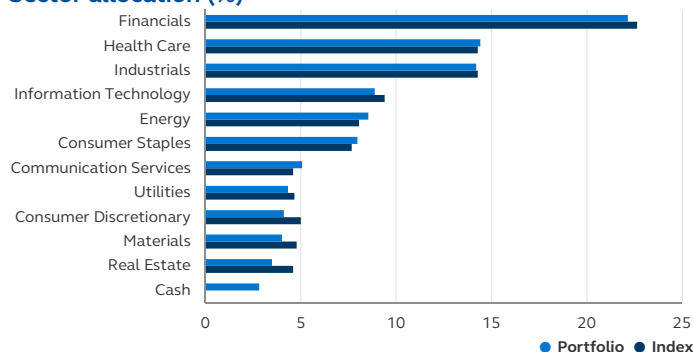
Capture ratios - 10-year, gross



04/01/2014- 03/31/2024. Source: Principal Global Investors. Capture ratios: Shows the relationship of the composite's performance to the performance of an index during a specific timeframe, as a percentage of that index's positive (upside capture) and negative (downside capture) performance. Represents quarterly returns for both composite and index returns. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Portfolio information is based on the strategy's composite. Past performance does not guarantee future return.

Why allocate to a portfolio:

- **Dividends matter.** Dividends help provide downside risk mitigation and are an important part of total return, especially in low growth environments.
- **Quality is market cycle tested.** Companies with competitive advantages, strong management teams, and a commitment to shareholder returns have proven resilient when market cycles transition and interest rates rise.
- **Patience rewarded.** The strategy has outperformed the index over the past ten-year period (as of 03/31/2024; see performance tables on back for further information).

Sector allocation (%)^{1,2}

Performance

	Composite performance (%)					
	3-month	1-year	3-year	5-year	10-year	Since inception (01/01/1997)
Principal Edge SMA Equity Income (gross)	8.20	20.91	8.32	11.53	10.58	10.05
Russell 1000® Value Index	8.99	20.27	8.10	10.30	9.00	8.58
Principal Edge SMA Equity Income (net)	7.41	17.39	5.13	8.26	7.33	6.82

Risk statistics (10-year, gross)⁶

	Composite
Sharpe ratio	0.6
Standard deviation	15.0
Information ratio	0.5
Tracking error	2.9

Calendar year returns (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal Edge SMA Equity Income (gross)	13.24	-3.38	16.16	21.61	-4.55	29.68	7.59	24.26	-8.74	12.08
Russell 1000® Value Index	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46
Principal Edge SMA Equity Income (net)	9.92	-6.25	12.77	18.07	-7.38	25.93	4.41	20.65	-11.47	8.79

Periods over one year are annualized. Net of fees reflects the gross returns reduced by an assumed maximum bundled fee of 3%. See disclosure section for additional details.

¹ Source: FactSet

² The index is the Russell 1000® Value Index and is described below. Portfolio information is based on the strategy's model portfolio. The holdings shown do not represent all the securities purchased, sold or recommended for any advisory client and in the aggregate may represent only a small percentage of an account's portfolio holdings. Actual portfolios may differ because of account size, client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations. Securities are shown for illustrative purposes only and are not a solicitation to buy or sell any security or invest in a sector.

³ Yields and yield related characteristics shown are only one component of performance or expected performance and are not and should not be viewed as a statement of the current or future performance of the strategy. See the gross and net performance of the strategy.

⁴ Weighted average

⁵ Source: Ned Davis Research, Inc. (12/31/1984-03/31/2024). Dividends are not guaranteed.

⁶ Source: Principal Global Investors

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. Dividends are not guaranteed.

This material covers general information only and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, a recommendation, or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. The opinions and predictions expressed are subject to change without prior notice. 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.

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. The methods of calculating performance of the composite and the index may not be identical and it is not possible to invest in an index.

The SMA Equity Income composite contains fully discretionary fee-paying accounts that seek a relatively high level of current income and long-term growth of income and capital by investing primarily in U.S. large-cap companies. For comparison purposes, the benchmark is the Russell 1000 Value Index. The composite name changed from Large Cap Value to Equity Income effective April 1, 2018. The SMA Equity Income composite was created on November 19, 2010.

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Information regarding the comparison to the Russell 1000® Index is available upon request.

This strategy is only provided through separately managed accounts program sponsors. Clients should consult a financial professional before making any investment decisions. Financial professionals should consider the appropriateness of the manager, strategy and program for its clients on an initial and ongoing basis.

Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the representative wrap sponsor. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net performance shown reflects the gross returns reduced by a maximum bundled fee which includes brokerage, custodial, and investment management expenses. Actual investment advisory fees incurred by clients may vary.

Actual client portfolios may differ because of account size, client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations.

Principal Global Investors ("PGI") acts as a discretionary investment manager or non-discretionary model provider in a variety of separately managed account or wrap fee programs ("SMA Program") sponsored by either broker-dealers or another financial services firm ("Sponsor"). When acting as a discretionary investment manager, PGI is responsible for implementing trades in SMA Program accounts. When acting as a non-discretionary model provider, PGI's responsibility is limited to providing non-discretionary investment recommendations of model portfolios to the SMA Program Sponsor who may utilize such recommendations in connection with its management of SMA Program accounts. In such model SMA Programs ("Model Programs"), it is the Sponsor, and not PGI, which serves as the investment manager to, and has trade implementation responsibility for, the Model Program accounts.

This document is issued in the United States by Principal Global Investors, LLC, which is regulated by the U.S. Securities and Exchange

Commission.

Principal Global Investors, LLC (PGI) is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA), a commodity pool operator (CPO) and is a member of the National Futures Association (NFA). PGI advises qualified eligible persons (QEPs) under CFTC Regulation 4.7.

© 2024 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.

Principal Asset ManagementSM is a trade name of Principal Global Investors, LLC. Principal Global Investors leads global asset management at Principal[®]. Principal Edge is an investment team within Principal Global Investors.

MM10203-25 | 04/2024 | 3485497-082024