

# Principal U.S. Small-Cap Multi-Factor ETF

First quarter 2023

## Fund overview

The Fund seeks long-term growth of capital from U.S. small-cap stocks by providing exposures to multiple factors.

## Trading information

**Symbol** PSC **CUSIP** 74255Y607

**Exchange**  
Nasdaq

## Portfolio management

**Jeffrey Schwarte, CFA**  
30 years of experience

**Aaron Siebel, CFA**  
18 years of experience

## Fund information

	Fund	Index
Net assets	\$192.7M	—
Number of holdings	501	1,921
Dividend frequency	Quarterly	—
Active share	61.2%	—
Market cap <sup>1</sup>	\$3.0B	\$2.9B
Beta (3-year)	1.0	—
Standard deviation (3-year)	22.7	22.5
Sharpe ratio (3-year)	1.0	0.7

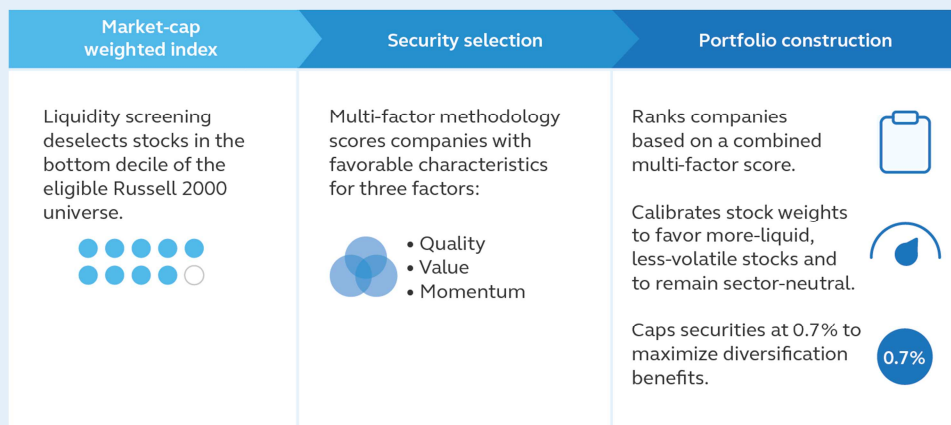
Source: FactSet, Principal Global Investors, and State Street

<sup>1</sup> Weighted average Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

## Combines multiple factors for diversification benefits and long-term growth

- Selects stocks with attractive quality, momentum, and value factor exposures that have historically been strong drivers of returns.
- Portfolio selection and construction process helps avoid fundamentally distressed small-cap companies.
- Active, rules-based framework helps ensure a consistent approach is implemented through different market cycles.

## Active, rules-based framework



The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. Investors cannot invest directly in an index.

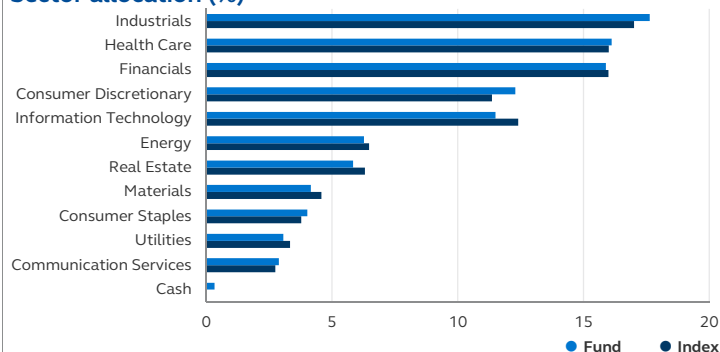
## Why allocate to a portfolio:

- Rules-based investment process overcomes capacity and liquidity constraints common in small-cap solutions.
- Lower cost relative to traditional active strategies.

Top 10 holdings<sup>2</sup>

	% of net assets
CROCS INC	1.1
NEOGEN CORP	1.1
SAIA INC	1.0
ATKORE INC	0.8
LANTHEUS HOLDINGS INC	0.8
JACKSON FINANCIAL INC A	0.8
ESSENT GROUP LTD	0.8
HOULIHAN LOKEY INC	0.8
FOOT LOCKER INC	0.7
PBF ENERGY INC CLASS A	0.7
<b>Total</b>	<b>8.6</b>

<sup>2</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>3</sup>

<sup>3</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

	Total returns (%)						Yields (%)			
	3-month	1-year	3-year	5-year	10-year	Since inception (09/21/2016)	Expense ratio <sup>6</sup> (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) <sup>7</sup>	Distribution yield <sup>8</sup>
Net asset value (NAV) return	2.76	-7.91	24.56	6.85	—	9.01	0.38/0.38	—	1.25/1.25	0.27
Market price return	2.55	-7.89	25.07	6.81	—	8.99	—	—	—	—
Russell 2000® Index <sup>4,5</sup>	2.74	-11.61	17.51	4.71	—	7.25	—	—	—	—
Calendar year returns (%)			2017	2018	2019	2020	2021	2022		
Net asset value (NAV) return			13.41	-9.23	18.87	13.45	32.32	-15.99		
Market price return			13.44	-9.35	19.07	13.37	32.38	-15.96		
Russell 2000® Index <sup>4,5</sup>			14.65	-11.01	25.52	19.96	14.82	-20.44		

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](http://www.PrincipalAM.com/ETF) for current month-end performance.**

<sup>4</sup> Russell 2000® Index consists of the smallest 2,000 companies in the Russell 3000® Index, representing approximately 10% of the Russell 3000® total market capitalization.

<sup>5</sup> Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

<sup>6</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 to the end of the period. Returns displayed are based on net total investment expense.

<sup>7</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>8</sup> As of April 3, 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.

Prior to July 8, 2022, the objective and strategy of the 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.

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

**Beta:** Measures a portfolio's sensitivity to market movements. **Standard deviation:** Measures how widely portfolio returns have varied. **Sharpe ratio:** Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance.

Returns shown for periods of less than one year are not annualized. The portfolio re-balances annually and may not reflect current allocations.

## 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. Small-cap stocks may have additional risks, including greater price volatility. Unlike typical ETFs, there are no indices that the Principal U.S. Small-Cap Multi-Factor 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.

**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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