

Principal SMA Municipal Impact

Fourth quarter 2023

Strategy overview

The strategy invests primarily in municipal securities whose use of proceeds is consistent with positive social impact outcomes.

Portfolio management

James Welch

35 years of experience

James Noble, CFA

31 years of experience

Characteristics^{1,2}

	Portfolio	Index
Composite AUM	\$1.7M	—
Inception date	10/01/2021	—
Number of holdings	37	33,599
Average effective duration	6.3	4.5
Current yield	4.1	4.2
Option adjusted yield to worst	3.8	2.8
Average yield to maturity	3.9	3.4

Top 10 holdings^{2,3}

	% of net assets
Cash & Equivalents	6.68
Georgia St Ports Auth	6.29
JFK International Air Terminal LLC	5.94
Charlotte NC CTFS Partn	5.93
AEP Texas Central Co	4.92
Goldman Sachs Headquarters LLC	4.49
Public Service Company of New Mexico	4.44
95 Express Lanes LLC	4.05
California St Muni Fin Auth	3.80
Allentown PA Neighborhood Impt Zone Dev Auth	3.49
Total	50.04

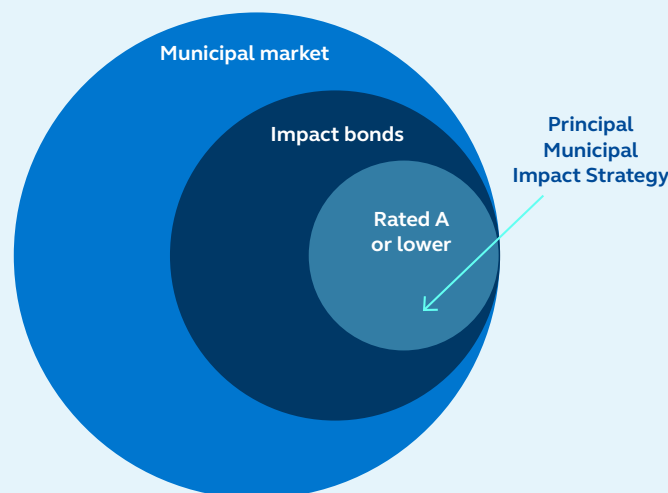
See disclosure section for additional details.

An approach to tax-exempt impact investing

- Preference for revenue bonds over GO bonds provides transparency on use of proceeds, better structural protections, and more predictable cash flows.
- Higher exposure to bonds rated A and BBB maximizes yield while not increasing default risk.
- Active management seeks the optimal spot on the yield curve.

Impact opportunity set

The strategy will tend to focus on identifying attractive opportunities in lower-rated, high yield muni impact bonds.

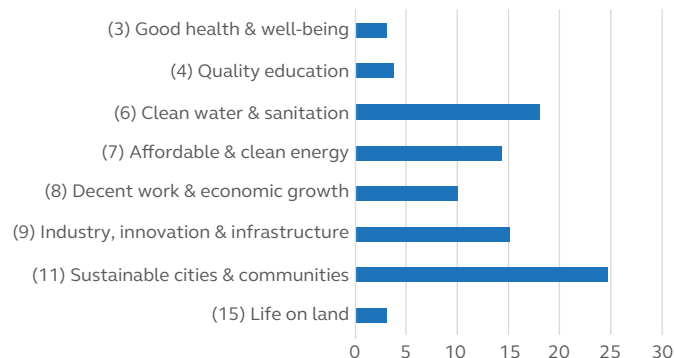


Source: Principal Global Investors. Allocations and investment guidelines are subject to change and may not reflect current holdings.

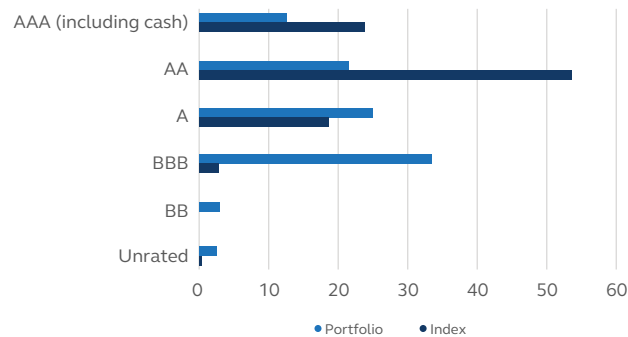
Why allocate to a portfolio:

- Access to lower-rated, muni impact bonds that can be used to identify projects intending to provide a positive social or environment impact.
- Higher yield potential than traditional and impact muni strategies.
- Actively managed approach to municipal investing taps multiple sources of alpha, resulting in what we believe is a distinct set of portfolio characteristics.

UN SDG-aligned impact allocation (%)^{4,5}



Credit quality allocation (%)^{4,5,6}



Performance

	Composite performance (%)					
	3-month	1-year	3-year	5-year	10-year	Since inception (10/01/2021)
Principal SMA Municipal Impact (gross)	7.32	7.44	-	-	-	-2.03
Bloomberg 3-15 Year Municipal Bond Index	6.79	5.44	-	-	-	-0.41
Principal SMA Municipal Impact (net)	6.79	5.32	-	-	-	-3.98

Risk statistics (3-year, gross)³

	Composite
Sharpe ratio	-
Standard deviation	-
Tracking error	-
Up/down capture ratio ⁷	-

Calendar year returns (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal SMA Municipal Impact (gross)	-	-	-	-	-	-	-	-	-12.40	7.44
Bloomberg 3-15 Year Municipal Bond Index	-	-	-	-	-	-	-	-	-6.42	5.44
Principal SMA Municipal Impact (net)	-	-	-	-	-	-	-	-	-14.15	5.32

Periods over one year are annualized. Net of Fees reflects the gross returns reduced by an assumed maximum bundled fee of 2%. See disclosure section for additional details.

¹ Source: Aladdin® by BlackRock®

² The index is the Bloomberg 3-15 Year Municipal Bond Index and is described on the last page. Portfolio information is based on the strategy's model portfolio. Actual portfolios may differ because of account size, client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations.

³ Source: Principal Global Investors.

⁴ Source: Principal Global Fixed Income. United Nations Sustainable Development Goals (UN SDGs) are a collection of 17 global goals set by the United Nations General Assembly. The numbers in parentheses indicate the numerical equivalents of the listed UN SDGs.

⁵ Portfolio information is based on the strategy's model portfolio.

⁶ Represents the middle rating of Moody's, S&P, and Fitch. When only two agencies rate a bond, the lower is used. When only one agency rates a bond, that rating is used. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). The NR category consists of rateable securities that have not been rated by a Nationally Recognized Statistical Rating Organization.

⁷ 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.

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal. Fixed Income investments are subject to interest rate risk; when interest rates rise, the price of debt typically declines. Potential investors should be aware that investment grade corporate bonds carry credit risks, default risk, liquidity risks, currency risks, operational risks, legal risks, counterparty risk and valuation risks.

This strategy invests in municipal securities, targeting 80% or more of the portfolio in "impact" securities where the "use of proceeds" are intended to provide a positive social or environmental impact (as identified in the specific security's prospectus) or are aligned to one or more of the UN Sustainable Development Goals (UN SDGs); additional information on the UN SDGs can be found here: sdgs.un.org/goals. This strategy applies environmental, social and governance (ESG) criteria as a component of its investment approach which can cause the strategy to intentionally avoid (or sell) certain securities or instruments and reduces the portfolio's investible universe. An ESG approach is qualitative and

subjective and dependent on information obtained through voluntary or third-party reporting which may be inaccurate, incomplete, or conflicting. ESG strategies may underperform other (non-ESG) strategies. ESG criteria may present additional advantages or risks and does not protect against market risks or volatility. You should not make any investment assumptions based solely on the information contained herein. There is no assurance that any ESG component in our investing strategy will be successful.

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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 Municipal Impact composite (USD) contains fully discretionary portfolios investing primarily in a broad array of municipal bonds with a focus on investments that have been issued with the intent to create favorable environmental and/or social impact. It is measured against the Bloomberg Municipal Bond 3 - 15 Year Index. The average portfolio credit quality is typically maintained in the BBB to A range. The strategy includes various forms of risk such as interest rate, credit, and municipality risk. The composite was created on October 01, 2021. The composite inception date is October 01, 2021.

The Bloomberg 3-15 Year Municipal Bond Index tracks the performance of municipal bonds issued after December 31, 1990 with remaining maturities between 2 and 17 years and at least \$7 million in principal amount outstanding. Information regarding the comparison to the Bloomberg Municipal Bond 3 – 15 Year 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.

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