

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

First quarter 2023

## Fund overview

The Fund seeks to provide long-term growth of capital through identifying market risk regimes and weighting securities within and among factor categories based on the prevailing regime.

## Trading information

**Symbol** PLTL  
**CUSIP** 74255Y730

**Exchange**  
Cboe

## Portfolio management

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

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

## Fund information

	Fund	Index
Net assets	\$5.7M	—
Number of holdings	518	602
Dividend frequency	Quarterly	—
Active share	26.2%	—
Market cap <sup>1</sup>	\$2.2B	\$2.3B
Turnover <sup>2</sup>	66.8%	—

Source: FactSet, Principal Global Investors, and State Street

<sup>1</sup> Weighted average

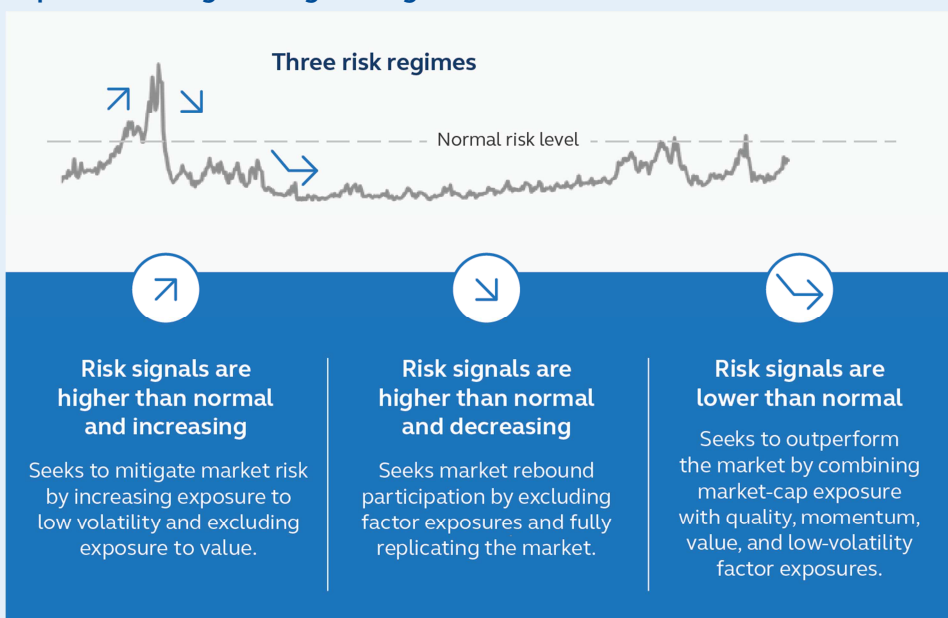
<sup>2</sup> Turnover is calculated semi-annually; reflects most recent available calculation.

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

## Small-cap core ETF that adapts when equity market risks change

- Adapts portfolio construction to equity market risk.
- Combines quality, momentum, value, and low-volatility factors when and how they are most likely to outperform the market.
- Uses market-cap exposure when and where it's expected to matter most.

## Exposures change during risk regimes



Top graph is shown for illustrative purposes only.

Source: Principal Global Investors. Risk regimes based on volatility and concentration risks which are derived from VIX and Principal Risk Concentration Index (PRCI). PRCI indicates when correlations are high, and the benefits of diversification are no longer present. Concentration is tracked across sectors, countries, factors, and asset classes.

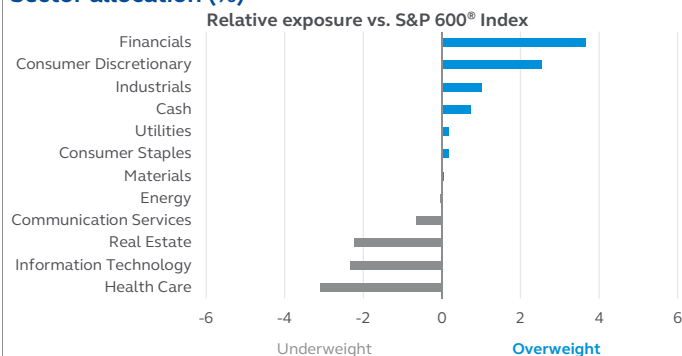
## Why allocate to a portfolio:

- Diversify core equity exposures with a risk-based approach to adapting portfolio allocations.
- Complement or replace active small-cap equity products with a low-cost, tax-efficient solution.
- Complement or replace core passive small-cap equity products with a solution that has active oversight.

Top 10 holdings<sup>3</sup>

	% of net assets
APPLIED INDUSTRIAL TECH INC	0.9
COMFORT SYSTEMS USA INC	0.8
AXCELIS TECHNOLOGIES INC	0.8
ACADEMY SPORTS + OUTDOORS IN	0.8
UFP INDUSTRIES INC	0.7
MUELLER INDUSTRIES INC	0.7
ENCORE WIRE CORP	0.6
HILLENBRAND INC	0.6
MOOG INC CLASS A	0.6
INSIGHT ENTERPRISES INC	0.6
<b>Total</b>	<b>7.1</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

	Total returns (%)						Yields (%)				
	3-month	1-year	3-year	5-year	10-year	Since inception (05/19/2021)	Expense ratio <sup>7</sup> (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) <sup>8</sup>	Distribution yield <sup>9</sup>	
Net asset value (NAV) return	2.35	-7.60	—	—	—	-3.17	0.19/0.19	—	1.41/1.41	1.27	
Market price return	2.20	-7.70	—	—	—	-3.23	—	—	—	—	
S&P 600® Index <sup>5,6</sup>	2.57	-8.82	—	—	—	-4.81	—	—	—	—	
<b>Calendar year returns (%)</b>											
<b>2022</b>											
Net asset value (NAV) return							-15.04				
Market price return							-15.04				
S&P 600® Index <sup>5,6</sup>							-16.10				

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>5</sup> S&P 600® Index is a market-capitalization-weighted index of 600 widely held stocks.

<sup>6</sup> Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

<sup>7</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>8</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>9</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.

**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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MM12034-9 | 04/2023 | 2828748-082023 | PRI001028-112023

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**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. 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.

Equity investments involve greater risk, including heightened volatility, than fixed-income investments. Equities considered to be growth or value stocks may not perform as expected. Stocks that previously exhibited high momentum characteristics may not experience positive momentum or may experience more volatility than the market as a whole. Small-cap stocks may have additional risks, including greater price volatility.