

Principal SMA U.S. Small Cap Select Equity

First quarter 2024

Strategy overview

The strategy seeks long-term capital growth by investing primarily in the shares of U.S. small-cap companies.

Portfolio management

Phil Nordhus, CFA

34 years of experience

Brian Pattinson, CFA

30 years of experience

Characteristics^{1,2}

	Portfolio	Index
Composite AUM	\$39.1M	—
UMA/SMA AUM ³	\$123.2M	—
Inception date	01/01/10	—
Number of holdings	105	1,942
Active share	89.8%	—
Earnings growth ⁴	10.1%	5.2%
Earnings revision ⁵	4.4%	-4.6%
Price/earnings (FY1) ⁶	17.7x	18.0x
Return on equity (last 12 months)	10.9%	9.9%

Top 10 holdings^{1,2}

	% of net assets
Modine Manufacturing Company	2.7
Super Micro Computer, Inc.	2.4
Natera Inc	2.4
Popular, Inc.	2.0
Dycom Industries, Inc.	1.9
Pebblebrook Hotel Trust	1.8
Taylor Morrison Home Corporation	1.8
Summit Materials, Inc.	1.8
Myr Group Inc.	1.7
Chart Industries, Inc.	1.7
Total	20.2

¹ Source: Factset

² The index is the Russell 2000[®] 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 May include model-only assets managed by the firm, where the firm has no control as to whether investment recommendations are accepted or the firm does not have trading authority over the assets.

⁴ Average of trailing one-year and forward one-year earnings per share (EPS growth)

⁵ Percentage of companies with positive EPS revisions less percentage with negative EPS revisions

⁶ Forward one-year price/earnings estimates

⁷ Portfolio information is based on the strategy's composite.

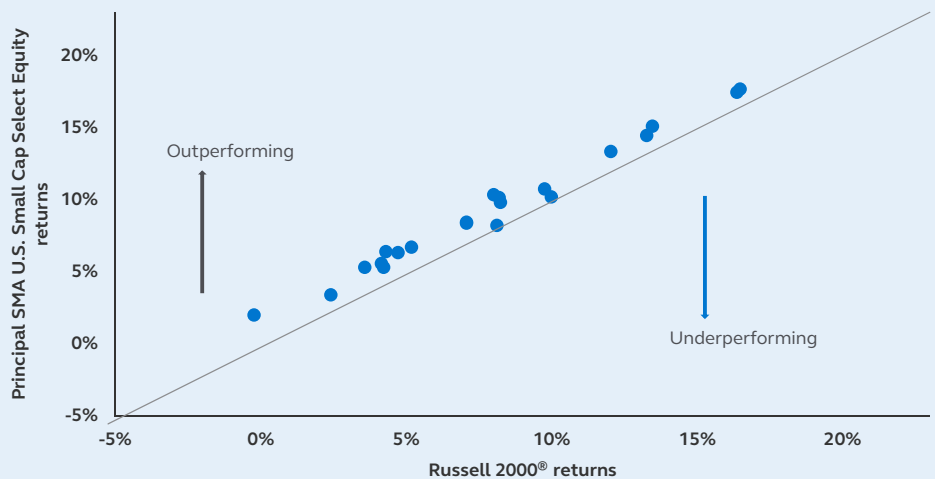
⁸ Capture ratios: Shows the relationship of the composite's performance to the performance of an index during a specific timeframe, as a percentage of that index's positive (upside capture) and negative (downside capture) performance. Represents quarterly returns for both composite and index returns.

Reported FactSet data is subject to revision over time, which may result in slight differences among data

Early movers on underappreciated opportunities

- Investing in businesses we believe are becoming better as a result of positive change: innovators, renovators, and pacesetters.
- Identifying potential underappreciated growth and improvement opportunities ahead of the market.
- An experienced team powered by perspective and precision. Phil Nordus has served as lead portfolio manager since 2006.

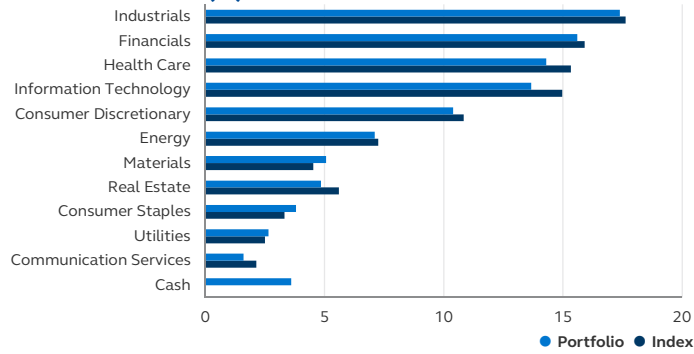
We focus on investing in businesses becoming better



Why allocate to a portfolio:

- Compelling growth and value characteristics for investors seeking core small-cap equity exposure diversified across sectors.
- Seeks to isolate stock selection as the key driver of results, while avoiding unrewarded risks.

Sector allocation (%)



Performance

	Composite performance (%)					
	3-month	1-year	3-year	5-year	10-year	Since inception (01/01/2010)
Principal SMA U.S. Small Cap Select Equity (gross)	7.87	16.54	-0.91	8.21	8.32	12.42
Russell 2000® Index	5.18	19.71	-0.10	8.10	7.57	10.44
Excess return	2.69	-3.17	-0.81	0.11	0.75	1.98
Principal SMA U.S. Small Cap Select Equity (net)	7.08	13.13	-3.85	5.02	5.14	9.12

Risk statistics (10-year, gross)

	Composite
Sharpe ratio	0.4
Standard deviation	19.6
Information ratio	0.2
Tracking error	4.0

Calendar year returns (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal SMA U.S. Small Cap Select Equity (gross)	6.07	0.53	19.61	11.12	-7.74	29.52	23.70	13.91	-22.10	14.32
Russell 2000® Index	4.89	-4.41	21.31	14.65	-11.01	25.52	19.96	14.82	-20.44	16.93
Principal SMA U.S. Small Cap Select Equity (net)	2.94	-2.45	16.12	7.86	-10.49	25.77	20.09	10.57	-24.46	10.97

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.

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