

Principal SMA U.S. Small Cap Select Equity

Fourth quarter 2023

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	\$36.6M	—
UMA/SMA AUM ³	\$122.7M	—
Inception date	01/01/10	—
Number of holdings	104	1,966
Active share	91.6%	—
Earnings growth ⁴	17.1%	6.8%
Earnings revision ⁵	14.4%	10.5%
Price/earnings (FY1) ⁶	15.8x	17.3x
Return on equity (last 12 months)	19.4%	10.7%

Top 5 holdings^{1,2}

	% of net assets
Modine Manufacturing Company	2.3
Dycom Industries, Inc.	2.1
Pebblebrook Hotel Trust	2.1
Natera Inc	2.0
Agree Realty Corporation	1.8
Total	10.3

See disclosure section for additional details.

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



INNOVATORS

- Industry disruptors and developers
- Forging new markets and solutions
- Progressive research and development



RENOVATORS

- Positive changes putting firms back on track
- Self-help improvements, cyclical recoveries

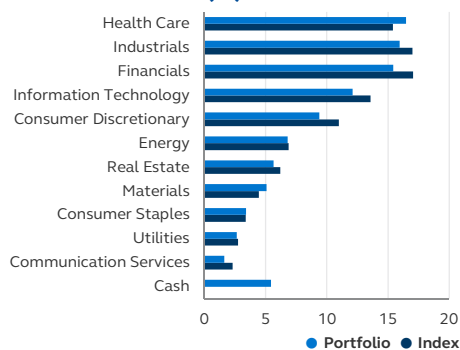
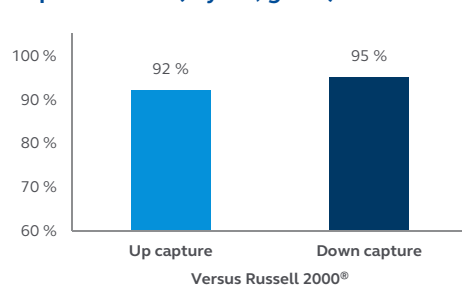


PACESETTERS

- Established steady growers with strong competitive profiles
- Ongoing continual improvement

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 (%)^{1,2}Capture ratios (7-year, gross)^{7,8}

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)	11.08	14.32	0.48	10.20	7.83	12.05
Russell 2000® Index	14.03	16.93	2.22	9.97	7.15	10.24
Principal SMA U.S. Small Cap Select Equity (net)	10.27	10.97	-2.50	6.95	4.65	8.76

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.

¹ Source:

² The index is the Russell 2000® Index and is described below. Portfolio information is based on the strategy's model portfolio.

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 points reported during the same period.

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. Small-cap stocks may have additional risks including greater price volatility.

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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 Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. Information regarding the Russell 2000® Index is available upon request. The index is referred to for comparative purposes only and is not necessarily intended to parallel the risk or investment approach of the portfolios included in the composite.

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.

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