

Investment Grade Corporate

Second quarter 2021

Fund overview

The Fund seeks to outperform its benchmark over a full market cycle, provide current income, and, as a secondary objective, capital appreciation by investing primarily in investment-grade corporate bonds.

Morningstar overall rating:



Overall Morningstar Rating™ as of 06/30/2021 among 194 Corporate Bond Funds

Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

Trading information

Symbol CUSIP
IG 74255Y821

Exchange
NYSE Arca

Portfolio management

Matthew Minnetian, CFA

32 years of experience

Fund information

	Fund	Index
Net assets	\$481.2M	—
Number of holdings	290	6,835
Dividend frequency	Monthly	—
Average effective duration	8.1	8.5
Average yield to maturity ¹	2.3%	2.1%
Standard deviation (1-year)	6.1	5.6
Turnover ²	32.3%	—

Source: Aladdin® by BlackRock®, Principal Global Investors, and State Street

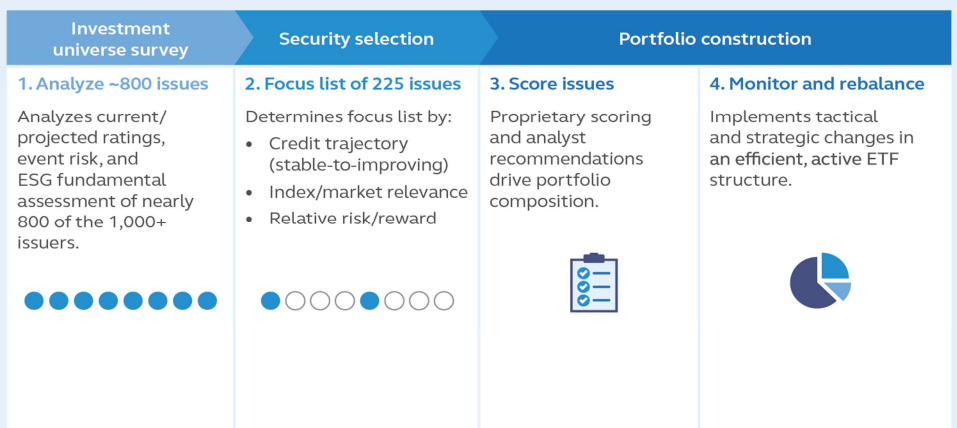
¹ Weighted average of the underlying securities in the portfolio.

² Turnover is calculated semi-annually; reflects most recent available calculation.

Dedicated exposure to investment-grade corporate bonds

- Active management combines bottom-up independent credit research with top-down strategy, seeking alpha through credit selection, industry rotation, and curve positioning.
- Straight forward process with investment grade exposure, free of derivatives, unrated issues, and large duration bets.
- Forward looking, iterative process seeks credits exhibiting stable-to-improving credit rating trajectory which may benefit from spread compression and income premiums.

Portfolio construction framework



Investment guidelines subject to change. There is no guarantee that the objective of the strategy will be achieved.

Why allocate to a portfolio:

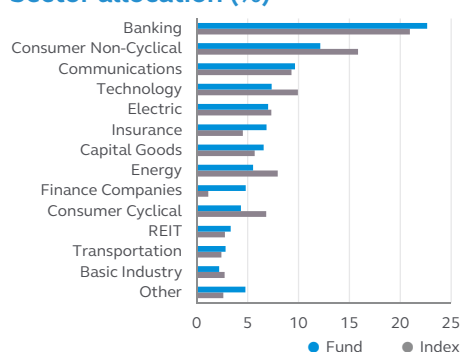
- Investment grade corporate bonds may offer attractive income and total return potential relative to Treasuries or Agency debt.
- Access a broad range of sectors and industries, which can help diversify existing equity and fixed income portfolio positions.
- Gain asset class exposure in a more effective way than purchasing individual bonds, allowing for easier implementation, better liquidity, and greater portfolio diversification, while receiving a monthly income stream.

Overall Morningstar Rating™ as of 06/30/2021 among 194 Corporate Bond Funds. Ratings for other time periods: 3 yr 4 stars/194 funds; 5 yr —/136 funds; 10 yrs —/91. Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

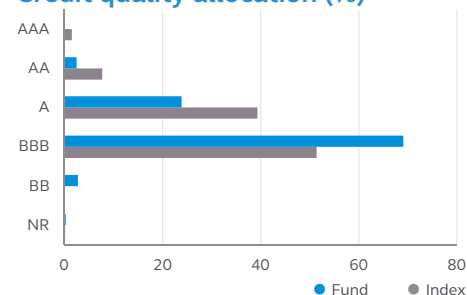
Top 5 holdings³

	% of net assets
JPMORGAN CHASE + CO SR UNSECURED 02/27 VAR	1.4
GE CAPITAL INTL FUNDING COMPANY GUAR 11/35 4.418	1.4
CVS HEALTH CORP SR UNSECURED 03/48 5.05	1.3
VERIZON COMMUNICATIONS SR UNSECURED 03/51 3.55	1.3
AERCAP IRELAND CAP/GLOBA COMPANY GUAR 02/24 3.15	1.3
Total	6.7

³ 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 (%)⁴

⁴ Source: Aladdin® by BlackRock®. 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.

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

⁵ 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.

Performance

	Total returns (%)								Yields (%)		
	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception (04/18/2018)	Expense ratio ⁸ (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) ⁹	Distribution yield ¹⁰
Net asset value (NAV) return	3.65	-1.14	4.90	8.25	—	—	7.27	0.19/0.19	—	2.16/2.16	2.66
Market price return	4.01	-1.14	4.68	8.22	—	—	7.31	—	—	—	—
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index ^{6,7}	3.55	-1.27	3.30	7.79	—	—	7.04	—	—	—	—
Calendar year returns (%)											
	2019								2020		
Net asset value (NAV) return	15.69								10.91		
Market price return	15.56								10.73		
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index ^{6,7}	14.54								9.89		

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 PrincipalETFs.com for current month-end performance.

⁶ The Bloomberg Barclays U.S. Corporate Investment Grade Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers.

⁷ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

⁸ 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.

⁹ 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.

¹⁰ As of July 1, 2021. 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.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar ratings do not reflect the inclusion of sales charges. If sales charges were reflected, ratings could be lower.

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Duration: The sensitivity of the value of principal of a fixed-income investment to interest rate changes. **Yield to maturity:** Rate of return anticipated on a bond if held until maturity. **Standard deviation:** Measures how widely portfolio returns have varied.

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.

Fixed income investments are subject to interest rate risk; as interest rates rise their value will decline. Lower-rated securities are subject to additional credit and default risks.

Unlike typical ETFs, there are no indices that the Investment Grade Corporate 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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