

# Principal Value ETF

Third quarter 2022

## Fund overview

The Fund seeks long-term growth of capital by providing exposure to companies that generate total shareholder yield through dividends, buybacks, and cash flows.

## Morningstar overall rating:



Overall Morningstar Rating<sup>TM</sup> as of 09/30/2022 among 391 Mid-Cap Value 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  
PY 74255Y300

**Exchange**  
Nasdaq

## Portfolio management

**Jeffrey Schwarte, CFA**

29 years of experience

**Aaron Siebel, CFA**

17 years of experience

## Fund information

	Fund	Index
Net assets	\$90.0M	—
Number of holdings	80	503
Dividend frequency	Quarterly	—
Active share	79.3%	—
Market cap <sup>1</sup>	\$204.1B	\$473.5B
Beta (3-year)	1.1	—
Standard deviation (3-year)	24.0	20.0
Sharpe ratio (3-year)	0.3	0.4

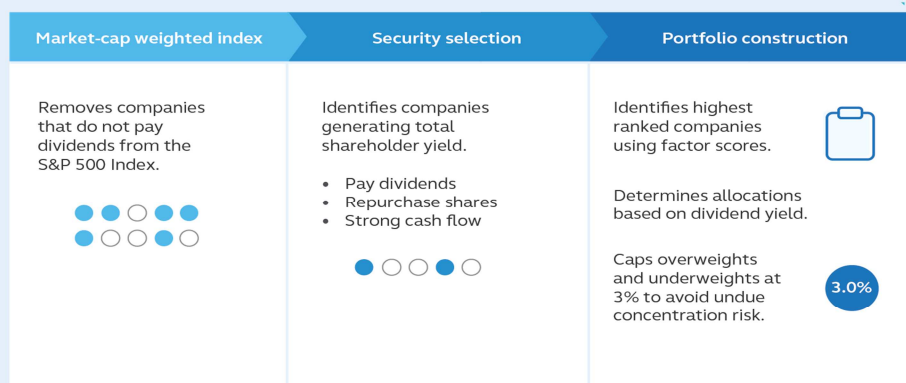
Source: FactSet, Principal Global Investors, and State Street

<sup>1</sup> Weighted average  
Reported FactSet data is subject to revision over time, which may result in slight differences among data points reported during the same period.

## Targets growth of income by investing in companies that grow dividends, increase cash flows, and engage in buybacks over time

- Invests primarily in dividend-paying stocks with the financial flexibility to grow dividends and engage in share buybacks over time.
- Driven by companies with strong cash flow generation and prudent payout policies.
- Active, rules-based framework helps ensure a consistent approach is implemented through different market cycles.

## Active, rules-based framework



S&P 500 Index is a market-capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. Investors cannot invest directly in an index.

## Why allocate to a portfolio:

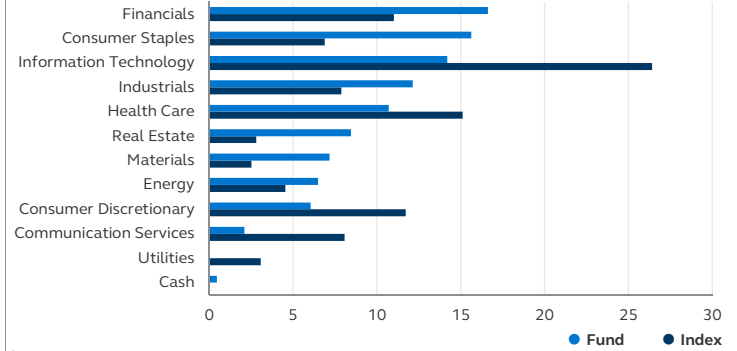
- Designed for investors seeking income and growth of income from their equity investments.
- Earnings- and cash flow-based strategies can lead to compelling return profiles versus pure dividend-paying strategies.
- Lower cost relative to traditional actively managed mutual funds.

Overall Morningstar Rating<sup>TM</sup> as of 09/30/2022 among 391 Mid-Cap Value Funds. Ratings for other time periods: 3 yr 4 stars/391 funds; 5 yr 4 stars/364 funds; 10 yrs —/270. Morningstar ratings may vary between share classes, are based on historical risk-adjusted total returns and are subject to change.

Top 10 holdings<sup>2</sup>

	% of net assets
APPLE INC	3.9
MICROSOFT CORP	2.9
JOHNSON + JOHNSON	2.4
CHEVRON CORP	1.9
COCA COLA CO/THE	1.7
BANK OF AMERICA CORP	1.7
MCDONALD S CORP	1.6
WELLS FARGO + CO	1.6
TEXAS INSTRUMENTS INC	1.6
CVS HEALTH CORP	1.5
<b>Total</b>	<b>20.8</b>

<sup>2</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>3</sup>

<sup>3</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	Year-to-date	1-year	3-year	5-year	10-year	Since inception (03/21/2016)	Expense ratio <sup>6</sup> (net/gross)	Expense limit expiration date	30-Day SEC (Unsubsidized/subsidized) <sup>7</sup>	Distribution yield <sup>8</sup>
Net asset value (NAV) return	-4.41	-15.97	-9.16	7.82	6.72	—	8.75	0.15/0.15	—	2.71/2.71	3.46
Market price return	-4.16	-16.04	-9.06	7.70	6.70	—	8.78	—	—	—	—
S&P 500 Index <sup>4,5</sup>	-4.88	-23.87	-15.47	8.15	9.23	—	10.95	—	—	—	—
Calendar year returns (%)				2017	2018	2019	2020	2021			
Net asset value (NAV) return				19.07	-12.51	26.33	2.51	34.76			
Market price return				18.88	-12.30	26.34	2.57	34.74			
S&P 500 Index <sup>4,5</sup>				21.83	-4.38	31.49	18.40	28.71			

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.**

<sup>4</sup> S&P 500® Index is a market-capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

<sup>5</sup> Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

<sup>6</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>7</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>8</sup> As of October 3, 2022. 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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**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. **Beta:** Measures a portfolio's sensitivity to market movements. **Standard deviation:** Measures how widely portfolio returns have varied. **Sharpe ratio:** Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance.

Returns shown for periods of less than one year are not annualized. The portfolio re-balances annually and may not reflect current allocations.

## 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. Mid-cap stocks may have additional risks, including greater price volatility. Unlike typical ETFs, there are no indices that the Principal Value ETF 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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