

**Principal Exchange-Traded Funds
2018 Tax Filing Information**

This information is provided to assist shareholders in preparing their 2018 tax returns. The information contained herein should not be deemed to be tax advice. Due to many differences in state and local regulations, shareholders should consult their tax advisors regarding this information. If you have questions concerning the information we have furnished, contact your financial professional or call 1-800-787-1621.

Government Obligations Percentage

A portion of the dividends paid by the following funds during 2018 was derived from investments in obligations of the U.S. government or its agencies. Some of these dividends may be exempt from state and local taxes depending on the tax laws of your individual state or local taxing authority. Some states treat income from federal agency obligations differently than income from direct federal obligations.

<u>Ticker</u>	<u>Fund</u>	<u>Direct Federal Obligations</u>	<u>Indirect Federal Obligations</u>	<u>Repurchase Agreements</u>
YLD	PETF - Principal EDGE Active Income ETF	0.00%	1.83%	0.00%

Qualified Dividends & Dividends Received Deduction

Qualified Dividend Income ("QDI"). QDI received and distributed by a fund is eligible to be taxed at lower rates. QDI is generally distributed from domestic corporations and certain qualified foreign corporations that meet certain holding requirements. The ordinary dividends that may qualify for the lower tax rates are shown in Box 1b of Form 1099-DIV. Shareholders must meet the holding period requirement to qualify for the lower ordinary dividend tax rates. To be eligible to treat all or a portion of the fund's dividend as qualified, a shareholder must have held the fund's shares for at least 61 days during the 121-day period surrounding the ex-dividend date. For additional information, see IRS Publication 550 at www.irs.gov.

Dividends Received Deduction ("DRD"). For corporate shareholders, the percentage of ordinary income distributions (dividend income and short-term gains, if any) for 2018, that qualifies for the DRD is as follows:

<u>Ticker</u>	<u>Fund</u>	<u>QDI</u>	<u>DRD</u>
GDVD	PETF Principal Active Global Dividend Income ETF	100.00%	31.75%
PVAL	PETF Principal Contrarian Value Index ETF	100.00%	97.75%
YLD	PETF Principal EDGE Active Income ETF	17.11%	15.68%
PXUS	PETF Principal International Multi-Factor Index ETF	100.00%	0.00%
IG	PETF Principal Investment Grade Corporate Active ETF	2.66%	0.66%
GENY	PETF Principal Millennials Index ETF	100.00%	61.89%
PSET	PETF Principal Price Setters Index ETF	100.00%	100.00%
PY	PETF Principal Shareholder Yield Index ETF	100.00%	100.00%
PREF	PETF Principal Spectrum Preferred Securities Active ETF	52.62%	27.13%
PMOM	PETF Principal Sustainable Momentum Index ETF	100.00%	100.00%
USMC	PETF Principal U.S. Mega-Cap Multi-Factor Index ETF	100.00%	100.00%
PSC	PETF Principal U.S. Small-Cap Multi-Factor Index ETF	100.00%	96.04%

Long-Term Capital Gain Distributions

Certain Funds distributed long-term capital gain dividends during the calendar year ended December 31, 2018. Unless otherwise designated, long-term capital gain dividends are subject to a maximum tax rate of 20-percent, 15-percent, or 0-percent, depending on the shareholder's taxable income. To the extent necessary to distribute such capital gains, certain Funds may also utilize, and hereby designate, earnings and profits distributed to shareholders on redemptions of shares as part of the Dividends Paid Deduction.

Foreign Tax

Foreign source income is the income earned by a fund from investments in foreign securities. Many countries impose a tax on income earned by investors beyond their borders. These taxes are paid by the fund. The following fund have elected to pass-through to shareholders the foreign taxes paid. Accordingly, this permits a shareholder to either take a federal income tax credit or a deduction from gross income. The amount of foreign tax credit that is utilized by a shareholder may be limited due to general credit limitation rules as well as a reduction in foreign source income associated with qualified dividend income. The percentage of the foreign source income that is qualified dividend income is shown in the Qualified Dividend Income table of this 2018 Tax Filing Information. Refer to the IRS Form 1116 instructions for additional information regarding foreign tax credits.

The information below summarizes the portion of income that was derived from foreign sources with regard to the applicable fund.

<u>Ticker</u>	<u>Fund</u>	<u>Distribution Ex-Date</u>	<u>Foreign Source Income</u>	<u>Foreign Tax Paid</u>
PXUS	PETF Principal International Multi-Factor Index ETF	04/02/2018	100%	\$ 0.0668
PXUS	PETF Principal International Multi-Factor Index ETF	07/02/2018	100%	\$ 0.1394
PXUS	PETF Principal International Multi-Factor Index ETF	10/01/2018	100%	\$ 0.0422
PXUS	PETF Principal International Multi-Factor Index ETF	12/27/2018	100%	\$ 0.0384

PETF = Principal Exchange-Traded Funds

The latest tax reporting supplement is available on Principal's Tax Center website.
Website: <https://www.principalfunds.com/taxcenter>