

Principal Ultra-Short Active Income ETF

USI | Second quarter 2019

Fund overview

An actively managed solution for investors seeking to generate current income.

Trading information

Symbol USI
CUSIP 74255Y813
Exchange NYSE

Portfolio management

Scott J. Peterson, CFA

30 years of experience

John R. Friedl, CFA

21 years of experience

Daniela Spassova, CFA

20 years of experience

Paul S. Kim, CFA

20 years of experience

Fund information

	Fund	Index
Fund AUM	\$12.5M	—
Number of holdings	50	—
Dividend frequency	Monthly	—
Average effective duration	0.51	0.16
Weighted average life to worst	0.89	—
Average yield to maturity	2.58	—
Standard deviation	—	—
Turnover (last 12 months)	—	—

Source: Aladdin® by BlackRock® and Morningstar.

Duration: The sensitivity of the value of principal of a fixed-income investment to interest rate changes.

Weighted average life: The average number of years for which each dollar of unpaid principal on a fixed-income security remains outstanding. **Standard deviation:** Measures how widely portfolio returns have varied. **Turnover:** The percentage of holdings that have been replaced during the prior year.

A compelling approach to quality income

- Active management approach combines bottom-up independent credit research with top-down strategy, supported by rigorous risk mitigation at each step.
- Straight forward investment process is free of derivatives, duration bets, and unrated issues.
- Strategic perspective biased towards issuers with traits like stable cash flows, hard assets, and the potential to benefit from demographic trends.

Strategic allocation framework

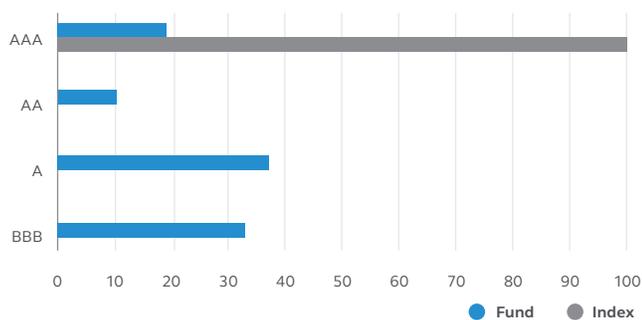
		Allocation range	Potential benefit
Liquidity	Cash / Treasurys	10%-20%	Volatility buffer
Core	High-quality corporate credit	50%-70%	Earn credit spread
Diversifier	AAA-rated asset-backed securities	10%-20%	High credit quality, short-duration assets

Target allocations and investment guidelines are subject to change. The strategy may not perform as intended and could result in a loss or gain.

Why allocate to a portfolio:

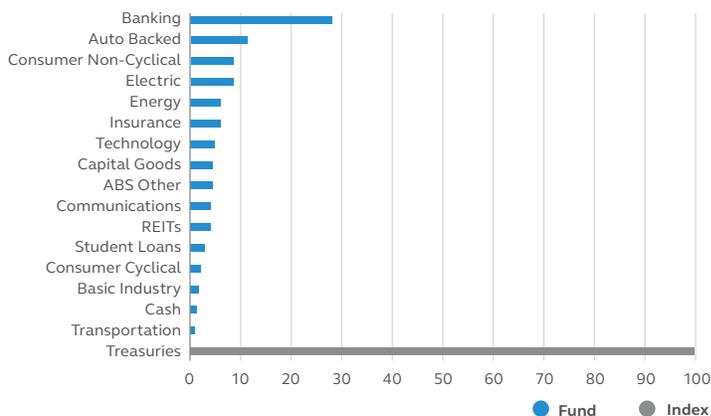
- Help manage credit and interest-rate risk
- An entry point for investors seeking income who may be concerned about managing volatility
- Potentially earn higher yields than cash positions

Credit quality allocation (%)^{1,2}



¹ 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.

Investment blend (%)²



² 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.

Performance

	Total returns (%)						Yields (%)	
	3-month	Year-to-date	1-year	Since inception (04/24/2019)	Expense ratio ⁵ (net/gross)	Expense limit expiration date	30-Day SEC ⁶ (Subsidized/Unsubsidized)	Distribution yield ⁷
Net asset value (NAV) return	—	—	—	0.62	0.18/0.18	—	0.03/0.03	2.88
Market price return	—	—	—	0.64	—	—	—	—
Bloomberg Barclays U.S. 1-3 month Treasury Bill Index ^{3,4}	—	—	—	0.46	—	—	—	—

Source: State Street

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.

³ The Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index is designed to measure the performance of public obligations of the U.S. Treasury with maturities of 1-3 months, including securities that roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

⁴ Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

⁵ 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.

⁶ 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.

⁷ As of July 1, 2019. 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.

Duration: The sensitivity of the value of principal of a fixed-income investment to interest rate changes. **Weighted average maturity:** The length of time until the average security in a fund will mature or be redeemed by its issuer. **Standard deviation:** Measures how widely portfolio returns have varied. **Turnover:** The percentage of holdings that have been replaced during the prior year.

Returns shown for periods of less than one year are not annualized.

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.

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.

Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

This Fund is new and has limited operating history.

Investor shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Ordinary brokerage commissions may apply.

Unlike typical ETFs, there are no indices that the Principal Ultra-Short Active Income ETF attempts to track or replicate. Thus, the ability of the Fund to achieve its objectives will depend on a variety of factors, including the effectiveness of the portfolio manager.

ALPS Distributors, Inc. is the distributor of Principal ETFs. ALPS Distributors, Inc. and the Principal Funds are not affiliated.

© 2019 Principal Financial Services, Inc. Principal, Principal and symbol design, and Principal Financial Group are registered trademarks and services marks of Principal Financial Services, Inc., a Principal Financial Group company.

MM10590-03 | 07/2019 | 896366-112019 | PRI000638-062021

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE