

Principal Investment Grade Corporate Active ETF

A fixed income investment option providing dedicated exposure to investment grade corporate bonds.

First quarter 2019

Trading information

Symbol

IG

Exchange

NYSE

CUSIP

74255Y821

Relevant facts

Inception date

April 18, 2018

Morningstar category

U.S. Fund Corporate Bond

Benchmark

Bloomberg Barclays U.S. Corporate Investment Grade Bond Index

Dividend schedule

Monthly

Net assets

\$234,599,870

The Principal Investment Grade Corporate Active ETF strives to benefit your portfolio:

If you're seeking **current income and capital appreciation**, this strategy may fit your needs because:

- Investment grade corporate bonds can offer attractive return potential
- In a rising rate environment, investment grade corporate bonds may be capable of performing better than many other fixed income options
- Relative to Treasuries, investment grade corporate bonds offer spread compression potential and income premiums

Our **straightforward approach to the investment grade universe** includes:

- Dedicated investment grade corporate bond exposure free of overly complex investments and large duration calls
- Portfolio diversification benefits and preservation of capital potential with the aim of portfolio stability
- A hybrid investment approach that combines macroeconomic risk perspectives with fundamental research and analysis

Active management that is cost-effective to you as an investor for access to:

- Multiple potential sources of alpha, including credit selection, industry rotation, and curve positioning
- Forward looking and iterative process executed by a team with experience in fundamental credit research since 1965¹
- Over 80 fixed income professionals² focused on providing clients total return and yield-oriented investment solutions



The Principal Global Fixed Income advantage

A global credit specialist with \$129.6 billion in assets under management² that invests with clients at the forefront.



Research

- Market coverage encompassing over 800 global issuers
- Common framework for evaluating sectors and securities
- Comprehensive framework based on independent internal research



Dynamic risk management

- Well-defined exit strategies and stop-loss limits to help minimize issuer risk
- Dynamic risk allows the flexibility to adjust risk tolerance as market volatility and our macro risk perspective changes



Specialized investment approach

- Specialized industry teams ensure long-term and tactical view on focus list
- Identify best risk-adjusted return opportunities to construct portfolios
- Scalable and efficient process that helps avoid emotional bias in decision-making

¹Experience includes investment management activities of predecessor firms beginning in the investment department of Principal Life Insurance Company.

²As of 03/31/2019.

Portfolio strategy

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

Key attributes

(as of 03/31/2019)
Distribution yield³
 3.81%
Number of holdings
 244
Gross/net expense ratio
 0.26%

Portfolio composition

Top 10 holdings (as of 03/31/2019)

	% of Net assets
1. Sabine Pass Liquefaction	1.80%
2. Daimler Finance NA LLC Company	1.53%
3. Synchrony Bank	1.47%
4. Comcast Corp Company	1.45%
5. Apple Inc	1.32%
6. DBS Group Holdings Ltd	1.30%
7. Skandinaviska Enskilda JR Subordina	1.29%
8. Royal BK Scotlnd Grp Plc	1.21%
9. Brookfield Finance Inc	1.19%
10. Continental Resources Company	1.05%
Total % in top 10	13.61%

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Due to rounding, the sum may not equal the total shown.

Portfolio management

John R. Friedl, CFA

21 years of experience

Paul Kim, CFA

20 years of experience

Daniela Spassova, CFA

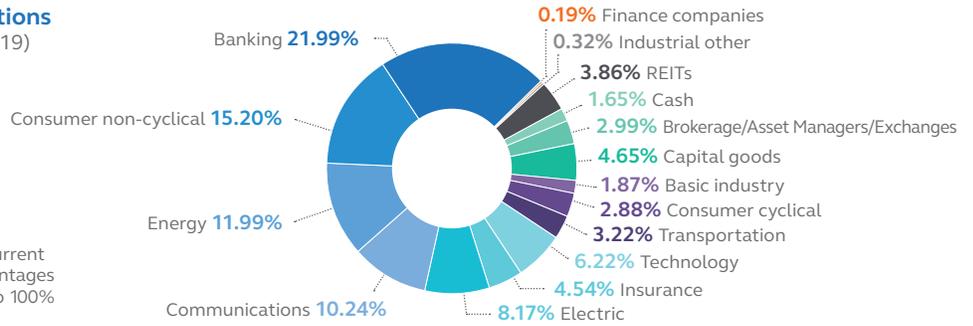
20 years of experience

Tim Warrick, CFA

29 years of experience

Sector allocations

(as of 03/31/2019)



May not reflect current allocations. Percentages may not add up to 100% due to rounding.

Performance history (as of 03/31/2019)

	Average annual total returns				Yields
IG inception date: April 18, 2018	1-month	3-month	Year-to-date	Since inception through quarter end	30-day SEC ⁵
Net asset value (NAV) return	2.60%	5.80%	5.80%	4.39%	3.57%
Market price return	2.62%	5.77%	5.77%	4.77%	—
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index	2.51%	5.14%	5.14%	5.20%	—

Source: State Street.

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

³ 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.

⁵ The 30-Day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. It is calculated based on the standardized formula set forth by the SEC. It is designed to standardize the yield calculation so that all exchange traded fund companies with the same or similar portfolios use a uniform method to obtain yield figures.

Glossary of terms

Spread compression: The narrowing of relative spreads between differing types of securities.

Duration: A measure of risk for fixed income portfolios which estimates how much the value of a bond will change for a given change in interest rates.

Alpha: A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk.

Curve positioning: Yield curve positioning involves positioning a portfolio to capitalize on expected changes in the shape of the yield curve.

Stop-loss: An advance order to sell an asset when it reaches a particular price point.

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.

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.

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 investments are subject to interest rate risk; as interest rates rise, their value will decline. Unlike typical ETFs, there are no indices that the Principal Investment Grade Corporate Active 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.

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 apply.

Lower-rated securities are subject to additional credit and default risks.

Principal Global Fixed Income is a specialized internal investment boutique of Principal Global Investors, the investment adviser to Principal ETFs.

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

© 2019 Principal Financial Services, Inc. Principal, Principal and the symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

MM9931-06 | 05/2019 | 849846-082019 | PRI000522-072020

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE