

# Principal Capital Appreciation Select ETF

Fourth quarter 2025

## Fund overview

The strategy seeks long-term growth of capital by investing primarily in U.S. companies.

## Trading information

**Symbol** CUSIP  
 LCAP 74255Y680  
**Exchange**  
 Cboe BZX

## Portfolio management

**Daniel R. Coleman**  
 46 years of experience

**Theodore B. Jayne, CFA**  
 27 years of experience

## Characteristics

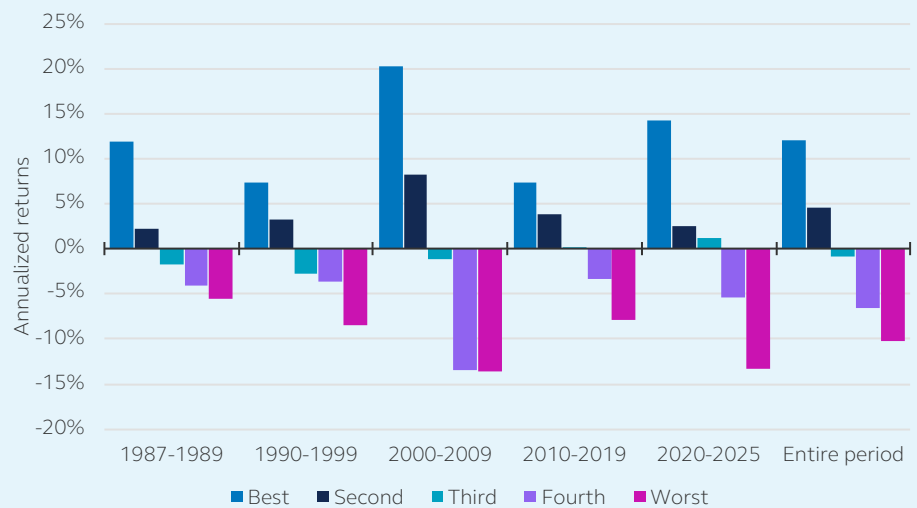
	Portfolio	Index
Inception date	3/25/2025	—
Number of holdings	51	1,010
Active share	55.5%	—
Expected turnover	30-60%	—
Market Cap <sup>1</sup>	\$1,370.3B	\$1,317.4B
Operating margin (5-year average)	23.6	24.9
Return on capital (5-year average)	19.1	19.1
Price/earnings-trailing	33.8	32.4
Price/earnings-forward	28.4	26.5
Free cash flow yield	2.7	2.7
Free cash flow growth	15.7	15.2

<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.

## Core U.S. equity allocation aiming to consistently outperform the market

- **Quality first.** Proprietary industry review process utilizes deep fundamental analysis to identify quality businesses and avoid sub-par operators
- **Free cash flow focused.** Valuation framework utilizes free cash flow to identify opportunities in continuous compounders or companies with short-term dislocations
- **Balanced approach.** Sector neutral framework allows team to focus on company drivers, with stock selection focused on generating strong risk-adjusted results

## Analysis of returns when dividing the Large-Cap Stocks into quintiles based on one-year forward free cash flow yield



Data from 01 January 1987- 31 December 2025. Source: Empirical Research Partners Analysis. Monthly returns compounded and annualized. Does not reflect the performance of an investment product. Market performance does not reflect the impact of fees, expenses, and transaction costs of investing. Free cash flow is a measure of profitability accounting for all sources and uses of cash, including capital expenditures and acquisitions.

## Why allocate to a portfolio:

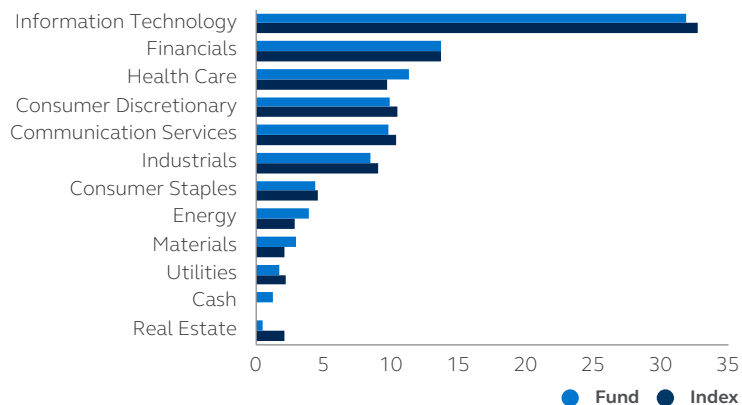
- **Quality is market cycle tested.** Companies with competitive advantages, strong management teams, and a commitment to shareholder returns have proven resilient when market cycles transition.
- **Active management with alpha potential.** Skilled active managers may be able to better navigate market challenges and mitigate downside risk.
- **Simple implementation.** Core U.S. equity allocation without having to make timing bets between value and growth styles.

**Top 10 holdings<sup>2</sup>**

	% of net assets
NVIDIA Corp.	7.2
Apple Inc.	6.0
Microsoft Corp.	5.7
Alphabet Inc. Class A	5.3
Amazon.com Inc.	3.7
Broadcom Inc.	3.5
Lam Research Corp.	3.2
JPMorgan Chase & Co.	3.2
Visa Inc. Class A	3.1
Thermo Fisher Scientific Inc.	2.7
<b>Total</b>	<b>43.7</b>

<sup>2</sup> 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**

	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception (03/25/2025)	Expense ratio <sup>6</sup> (net/gross)	Expense limit expiration date	Yields (%)	
										30-Day SEC (Unsubsidized/subsidized) <sup>7</sup>	Distribution yield <sup>8</sup>
Net asset value (NAV) return	2.00	—	—	—	—	—	18.33	0.29/0.29	—	0.53/0.53	—
Market price return	2.00	—	—	—	—	—	18.33	—	—	—	—
Russell 1000 <sup>®</sup> Index <sup>4,5</sup>	2.41	—	—	—	—	—	19.18	—	—	—	—

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net asset value (NAV) return	—	—	—	—	—	—	—	—	—
Market price return	—	—	—	—	—	—	—	—	—
Russell 1000 <sup>®</sup> Index <sup>4,5</sup>	—	—	—	—	—	—	—	—	—

**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 [PrincipalAM.com/ETF](https://PrincipalAM.com/ETF) for current month-end performance.**

<sup>4</sup> The Russell 1000<sup>®</sup> Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000<sup>®</sup> is a subset of the Russell 3000 Index. It represents the top companies by market capitalization.

<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> 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.

**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. **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 rebalances 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. Unlike passive ETFs, there are no indices that the Principal ETFs attempt 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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