Principal® launches Focused Blue Chip ETF

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New offering meets growing demand of investors for active ETFs

DES MOINES, Iowa--(BUSINESS WIRE)-- Principal Asset Management℠ today launched the Focused Blue Chip ETF (BCHP). This ETF will be a large-cap growth portfolio managed by Principal Aligned, the equities investment team with more than 20 years of success managing mid-cap and blue chip strategies for Principal. Principal Aligned, with $44.4 billion in AUM[1], has a distinctive long-term approach that focuses on competitively advantaged businesses led by owner-operators.

Demand for large-cap growth ETFs has grown in recent years, with a total AUM of $411 billion in the category as of December 31, 2022.[2] Actively managed ETFs are also seeing increased interest, attracting about 30% of the total flows to ETFs as of May 2023.[3] The Focused Blue Chip ETF helps meet this client demand.

"With this offering, we have taken the proven approach of Principal Aligned and offered it as an ETF to meet the needs of our clients," said Jill Brown, managing director, U.S. Wealth Platforms. "The team's active approach focuses on owner-operator companies with long runways in front of them - businesses getting better as they get bigger, with strong management teams and attractive valuations."

The Principal Aligned team, led by Bill Nolin, has over 20 years of experience managing equity portfolios throughout multiple market environments. Morningstar recently awarded both the Blue Chip and MidCap mutual funds (I shares) managed by Principal Aligned a Gold Morningstar Medalist™ Rating.

With the addition of the Focused Blue Chip ETF, Principal offers 15 ETFs that are designed to enhance investor returns, mitigate risk, and improve portfolio diversification. Combined, they represent approximately $2.4 billion in assets under management[4].

1 As of March 31, 2023
2 Morningstar Direct and Broadridge as of December 31, 2022
3 Investors Are Piling Into Actively Managed ETFs - WSJ
4 As of June 30, 2023

Important Information

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.

The fund is non-diversified, so it may invest a high percentage of its assets in the securities of a small number of issuers and is more likely than diversified funds to be significantly affected by a specific security's poor performance.

Carefully consider a fund's objectives, risks, charges, and expenses. For a prospectus, or summary prospectus if available, containing this and other information, visit www.PrincipalAM.com or call sales support at 800-787-1621. Please read it carefully before investing.

Gold rating for Principal Blue Chip Institutional Class as of November 22, 2022.
Gold rating for Principal MidCap Institutional Class as of November 17, 2022.

The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst

Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/.

The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

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

About Principal Asset Management

With public and private market capabilities across all asset classes, Principal Asset Management and its investment specialists look at asset management through a different lens, creating solutions to help deliver client investment objectives. By applying local insights with global perspectives, Principal Asset Management identifies distinct and compelling investment opportunities for more than 1,100 institutional clients in over 80 markets.[5] Principal Asset Management is the global investment solutions business for Principal Financial Group® (Nasdaq: PFG), managing $517.8 billion in assets[5] and recognized as a “Best Places to Work in Money Management”[6] for 11 consecutive years. Learn more at www.PrincipalAM.com.

Principal Asset Management℠ is a trade name of Principal Global Investors, LLC. Principal Aligned is an investment team within Principal Global Investors.

[5] As of March 31, 2023
[6] Pensions & Investments, “The Best Places to Work in Money Management”, December 12, 2022.

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