

Principal Advantage®

Principal® sample sub-advised lineup — scale based pricing

This is a generic sample lineup that was not created or customized for any particular plan.°

Deciding which investment options to offer your participants — knowing that long-term asset allocation decisions are key — and ensuring the retirement plan’s investment options are diverse are critical considerations in order to help your participants meet their investment objectives. Our robust investment program information can help you decide which options are suitable for your retirement plan, which in turn helps you manage your fiduciary responsibilities.

Our rigorous and disciplined due diligence process for identifying, hiring and retaining premier investment talent makes institutional quality investment options, known as Sub-Advised Investment Options, available to you.

Sub-Advised Investment Options*

Investment managers/sub-advisors



*Sub-Advised Investment Options include Principal Funds Distributor mutual funds. Principal Funds is distributed by Principal Funds Distributor, Inc. The managers used within our sub-advised investment options can change at any time. Review each investment option for applicable investment manager.

<p>Not FDIC or NCUA insured</p> <p>May lose value • Not a deposit • No bank or credit union guarantee</p> <p>Not insured by any Federal government agency</p>
--

This is a generic sample lineup that was not created or customized for any particular plan.^o

Our Sample Core Sub-Advised Investment Options^{oo}

We take the investment manager selection process for our Sub-Advised Investment Options a step further with our core sub-advised investment options package. We make available a selected list of high-quality investment options diversified across major asset classes, by investment manager and investment styles. To illustrate what a retirement plan investment line-up may include, the matrix below includes investment options that may form a strong foundation for your retirement plan:

Large U.S. equity	Category	Investment option	Investment manager/sub-advisor
	Large Value	Principal LargeCap Value Fund	Principal Global Investors
	Large Blend	Principal Large Cap S&P 500 Index Fund ¹	Principal Global Investors
	Large Growth	Principal LargeCap Growth I Fund	T. Rowe Price
Brown Advisory			

Small/mid U.S. equity	Category	Investment option	Investment manager/sub-advisor
	Small/Mid Value	Principal SmallCap Value II Fund ²	Dimensional
			Los Angeles Capital
			Vaughan Nelson
	Small/Mid Blend	Principal SmallCap S&P 600 Index Fund ^{1,2}	Principal Global Investors
	Small/Mid Growth	Principal SmallCap Growth I Fund ²	AB
			Columbus Circle Investors
			Emerald
Brown Advisory			

International equity	Category	Investment option	Investment manager/sub-advisor
	Foreign Large Blend	Principal Diversified International Fund ³	Principal Global Investors

^oThis lineup was created and distributed without regard to the individualized needs of any plan or participant, and we reserve the right to create other sample lineups at any time, which may differ from this lineup in whole or in part. The investments listed in this lineup are a part of, but are not the entirety of, a platform from which you or another plan fiduciary may select or use to monitor investment alternatives. In creating or presenting this sample lineup Principal and its affiliates and their employees have not undertaken to provide impartial investment advice or to give advice in a fiduciary capacity. You, or another appropriate plan fiduciary, should fully evaluate all your investment options and may select a different platform (or set of investment options) which may have an effect on pricing.

^{oo}The availability of the investments in this lineup may be limited based on the characteristics of the organization's retirement plan.

This is a generic sample lineup that was not created or customized for any particular plan.^o

Balanced/asset allocation	Category		Investment option	Investment manager/sub-advisor	
	Multiple Sub-Advisors			Principal LifeTime portfolios ^{3,4,5,6,7}	Principal Global Investors
				Principal LifeTime Hybrid CITs ^{*,3,4,5,6,7}	Principal Global Investors
				Principal Strategic Asset Management (SAM) Portfolios ^{4,5,6,7}	Principal Global Investors
Short-term fixed income	Category		Investment option	Investment manager/sub-advisor	
	Stable Value		Principal Stable Value Fund*	Morley Financial Services	
	Fixed Income		Principal Fixed Income Guaranteed Option ^{8,9}	Principal Global Investors	
Fixed income	Category		Investment option	Investment manager/sub-advisor	
	Intermediate-Term Bond		Principal Core Plus Bond Fund ^{6,7}	Principal Global Investors	

We will continue to monitor these investment options and make changes if the investment managers aren't meeting our high standards. With the core sub-advised investment package as the base of your retirement plan's investment program, you know the investment options you select will help you manage your fiduciary responsibilities.

You Have Choices

As you know, you are responsible for selecting specific investment options for your retirement plan. While this core sub-advised investment package of investment options may serve as a starting point for your investment program, there are additional investment options on our platform from investment managers selected through our due diligence process.

For more information about all of the investment options available to you, contact your local representative of the Principal Financial Group®.

Investment line-up methodology: This sample investment line-up was created by a work group who follows a methodology using specific criteria in determining the investments to be used in this sample. For more details regarding the methodology used, contact your Principal representative.

* Principal Stable Value Fund is not approved for nonqualified or 403(b) Plans. Principal LifeTime Hybrid CIT are not available for 403(b) Plans.

** The Principal Fixed Income Guaranteed Option can be used for 403(b) Plans but is not approved for use with nonqualified plans.

¹ Each index-based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represented. There is no assurance an index-based investment option will match the performance of the index tracked. S&P 500 and S&P 600 are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard and Poor's makes no representation regarding the advisability of investing in the product.

² Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.

³ International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.

This is a generic sample lineup that was not created or customized for any particular plan.^o

⁴ Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest-rate risk, and their value will decline as interest rates rise.

⁵ Asset allocation does not guarantee a profit or protect against a loss. Additionally, there is no guarantee this investment option will provide adequate income at or through retirement.

⁶ 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.

⁷ Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

⁸ Principal[®] Fixed Income Guaranteed Option is the Group Annuity Contract Custodial Guaranteed Interest Contract available through Principal Life Insurance Company, a member of the Principal Financial Group[®], Des Moines, IA 50392. May not be available in all states. Guarantees are based upon the claims-paying ability of the Principal Life Insurance Company.

⁹ If the retirement program provides a participant access to the Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will generally be subject to an Equity Wash. An Equity Wash requires that transfers must be directed to a non-competing investment option under the plan for 90 days before such transferred amounts may be directed to any other Competing Plan Investment Option. Competing Plan Investment Options include other guaranteed investment options, or fixed income, money market, or bond funds that have ever had an Average Effective Duration of 3.0 years or less. Average Effective Duration is a time measure of a bond portfolio's interest-rate sensitivity, based on the weighted average of the time periods over which the cash flows of all of the portfolio's bond holdings accrue to the portfolio. Time periods are weighted by multiplying by the present value of each bond's cash flow divided by that bond's price. (A bond's cash flows consist of coupon payments and repayment of capital).

See the Principal Fund, Inc. prospectus for the full name of each Fund.



Carefully consider the Fund's objectives, risks, charges, and expenses. Contact your financial professional or visit principal.com for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.

If your investment lineup includes the Principal LifeTime Hybrid CITs or Principal LifeTime portfolios, the applicable portfolio based on the plan's normal retirement date will be used as the participant-level default and the applicable target date fund as the plan-level default unless you direct us otherwise.

This document is not a recommendation and is not intended to be taken as a recommendation. This material was prepared for general distribution and is not directed to a specific individual.

As a general rule, we make more revenue on our proprietary products.

Principal Life does not act as an ERISA 3(21) or 3(38) fiduciary.

Investing involves risk, including possible loss of principal.

Sub-Advised Investment Options include Principal Global Investors Trust Company Collective Investment Funds (CITs) available through a participation agreement with the Trust Company.

The CITs are not mutual funds and are not registered with the Securities and Exchange Commission, or any other regulatory body. Units of the CITs are not deposits or obligations of, guaranteed by, or insured by the Trust Company or any affiliate, and are not insured by the FDIC or any other federal or state government agency. The value of the CITs will fluctuate so that when redeemed, units may be worth more or less than the original cost. The declaration of trust, participation agreement, and disclosure documents contain important information about investment objectives, risks, fees and expenses associated with investment in the CITs and should be read carefully before investing. The declaration of trust is available at principal.com. A copy of the participation agreement can be obtained from your plan administrator.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investments are subject to interest rate risk; as interest rates rise their value will decline. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

Asset allocation and diversification do not ensure a profit or protect against a loss. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

Insurance products and plan administrative services provided through Principal Life Insurance Co. Securities offered through Principal Securities, Inc., 800-547-7754, member SIPC and/or independent broker/dealers. Principal Life, and Principal Securities[®] are members of the Principal Financial Group[®], Des Moines, IA 50392. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contract providing access to the Separate Account as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment liquidity, and other risks inherent in real estate (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.