

Principal LifeTime Portfolios

The convenience of a single portfolio, before and during retirement

Not FDIC or NCUA insured

May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency



Principal LifeTime Portfolios

Principal LifeTime portfolios can help take the guesswork out of asset allocation.

For plan participants who aren't comfortable or aren't interested in making a lot of investment decisions or tracking numerous holdings, lifecycle (target date) investment options are an extremely popular investment choice.

- Lifecycle funds currently hold more than \$1 trillion in retirement plan assets, an increase from \$303 billion at the end of 2006.¹
- More than 69% of retirement plans offer lifecycle investment options²

The target date Principal LifeTime portfolios can help you meet the growing demand for lifecycle investment options.

Principal Funds is the largest manager of active, multi-managed target date funds in the United States.³

¹Strategic Insight 4th Quarter, 2015

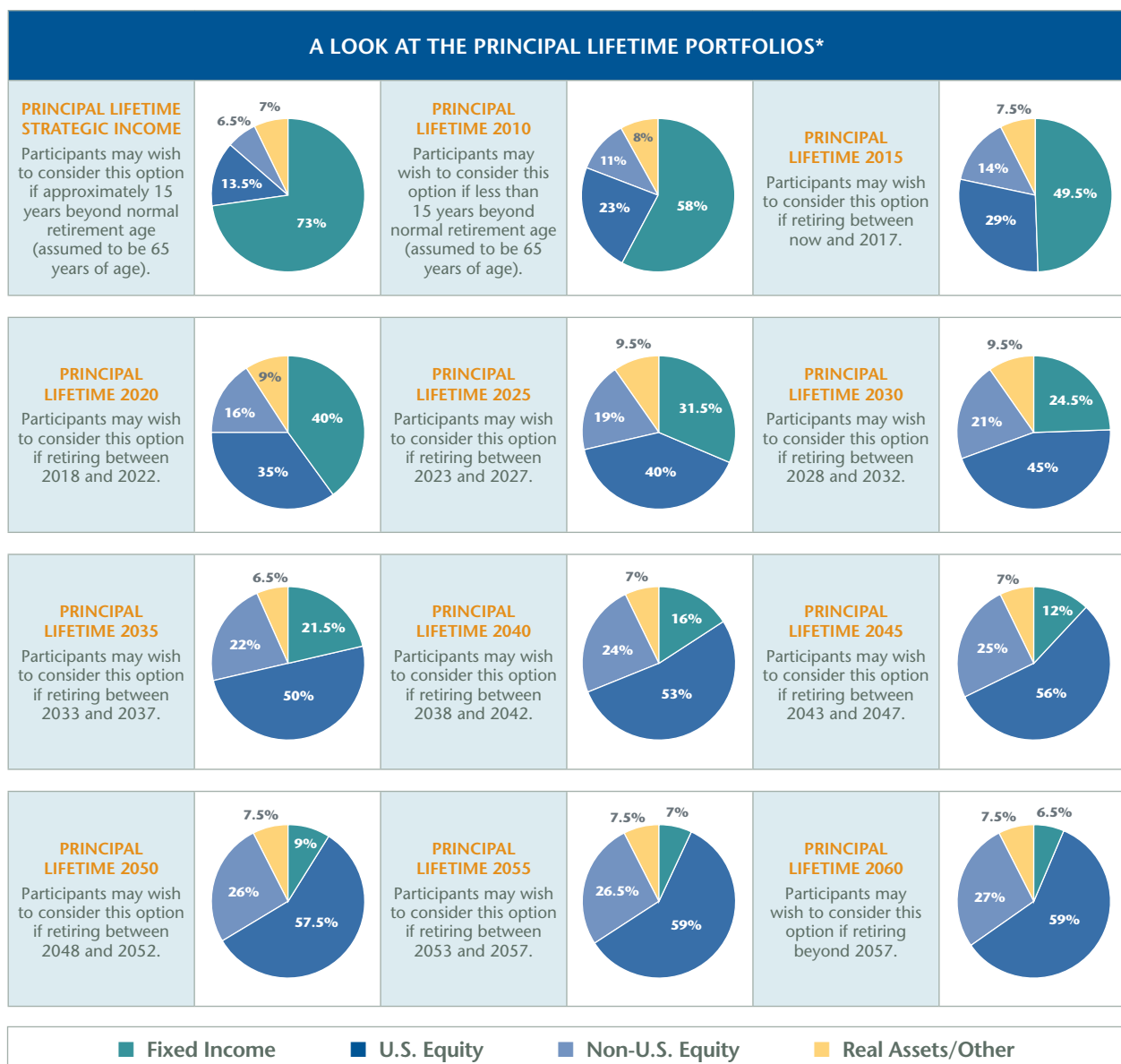
²PSCA's Annual Survey of Profit Sharing and 401(k) Plans reflecting 2014 plan experience; January 2016

³Strategic Insight Lifecycle FlowWatch Report, 12/31/15. "Active multi-managed target date funds" describes the underlying assets.

Principal LifeTime Portfolios — Helping Participants Take Action

Principal LifeTime portfolios invest in underlying Principal Funds, Inc., institutional class shares. Each is managed toward a particular target date, or retirement date (the approximate date the participant is expected to start withdrawing money). Participants typically choose the portfolio that most closely matches their approximate retirement date.

For example, if a participant's retirement is anticipated near the year 2020, he or she could choose the Principal LifeTime 2020 portfolio. There's even a Principal LifeTime portfolio for participants who are approximately 15 years beyond normal retirement age: Principal LifeTime Strategic Income.



*As of March 2016. Allocations based on current allocation targets. They will change over time.

For all portfolios the retirement age is assumed to be 65 years of age.

Additional target date funds may be added to the Principal LifeTime portfolios series to accommodate plan participants with later normal retirement dates as they enter the workforce.

Asset allocation/diversification does not guarantee a profit or protect against a loss.

A Consistent Philosophy and Process

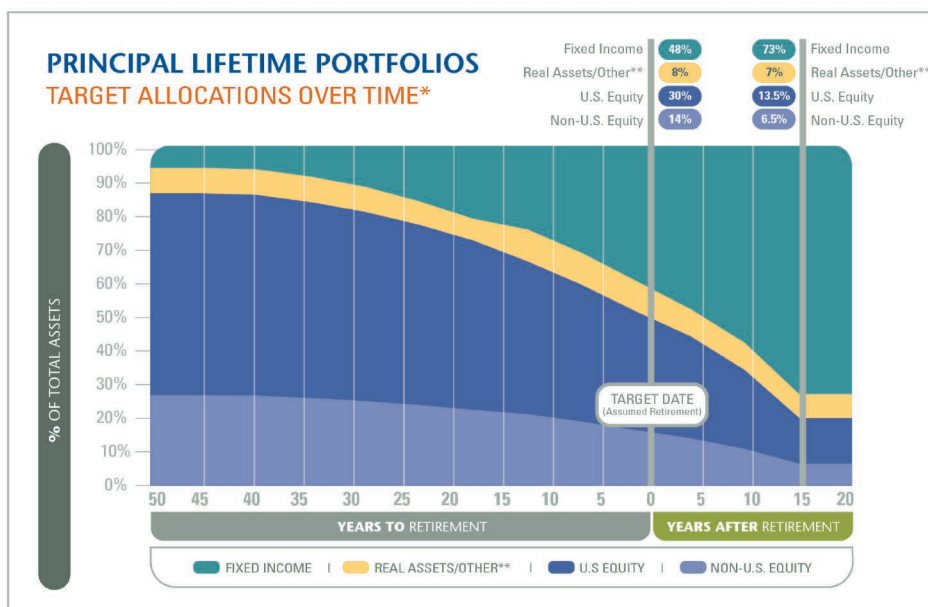
The Principal LifeTime portfolios are designed to cover a broad range of participants' retirement needs. Each portfolio follows three basic principles:

- **Broad diversification across multiple traditional and specialty asset classes;**
- **Professional investment managers representing a wide range of asset classes, investment styles and money management firms; and**
- **A structured investment process with disciplined risk management at each stage of the investment process.**

Diversifying Portfolios Across a Variety of Asset Classes

As each Principal LifeTime portfolio approaches its target date, the investment mix becomes more conservative by increasing its exposure to generally more conservative investment options and reducing its exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime portfolio is regularly re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation, matching that of the Principal LifeTime Strategic Income Fund. Once in retirement Principal LifeTime portfolios assume the value of the participant's account will be withdrawn gradually over time.

For example, assume the participant has elected to direct contributions to the 2030 portfolio and has 15 years until retirement. Today, the asset allocation is approximately 24.5% Fixed Income, 9.5% Real Assets/Other, 45% U.S. Equities and 21% Non-U.S. Equities. Over time, the 2030 portfolio will continue to become more conservative and once the target date is reached, the asset mix would shift to 48% Fixed Income, 8% Real Assets/Other, 30% U.S. Equities and 14% Non-U.S. Equities. Approximately 15 years after the target date, the portfolio would be allocated 73% Fixed Income, 7% Real Assets/Other, 13.5% U.S. Equities and 6.5% Non-U.S. Equities.



Neither the principal nor the underlying assets of the Principal LifeTime investment options are guaranteed at any time, including the target date. Investment risk remains at all times.

Asset allocation/diversification does not guarantee a profit or protect against a loss.



Premier Investment Managers

Principal LifeTime portfolios provide a variety of investment styles and complementary approaches. Managers chosen for the underlying mix of investment options for the portfolio are monitored through the rigorous quantitative and qualitative due diligence process of Principal Life Insurance Company.

MULTIPLE SUB-ADVISORS OF UNDERLYING FUNDS



MULTIPLE ASSET CLASSES AND STYLES

U.S. Equities	Non-U.S. Equities	Fixed Income	Real Assets/Other
<ul style="list-style-type: none"> • Large Cap Growth • Large Cap Blend • Large Cap Value • Mid Cap Growth • Mid Cap Blend • Mid Cap Value • Small Cap Growth • Small Cap Value 	<ul style="list-style-type: none"> • Developed • Non-U.S. Equities • International • Emerging Markets 	<ul style="list-style-type: none"> • Intermediate-Term Bond • Treasury-Inflation Protected Securities (TIPS) • Short-Term Bond • Preferred Securities • High Yield Bond 	<ul style="list-style-type: none"> • Real Assets • Diversified Income • Alternative Strategies

The managers used within the Principal LifeTime portfolios can change at any time.

Managing Your Fiduciary Responsibility

This lifecycle approach can help you manage your fiduciary responsibilities. Acting as a fiduciary can be one of the greatest challenges plan sponsors face. Giving plan participants a choice of diversified investment options, such as Principal LifeTime portfolios, can help.

Also, with the passage of the Pension Protection Act, the Department of Labor (DOL) issued regulations that would allow plan fiduciaries to select certain investment options as a Qualified Default Investment Alternative (QDIA) — a default under their retirement plan that allows them to receive fiduciary relief with respect to the investment outcomes of those investment options. The regulations do not relieve the fiduciary of their responsibility to prudently select and monitor the retirement plan's QDIA.

The Pension Protection Act will generally shield plan fiduciaries from liability for investment outcomes if they meet Pension Protection Act requirements and default participants' retirement funds into certain types of investment options, including certain target date funds.

While this determination is ultimately a plan fiduciary responsibility, it is the opinion of Principal Life Insurance Company that the Principal LifeTime portfolios meet the DOL regulations for a QDIA.



A Strategy for Success

A thorough due diligence process.

Premier investment managers providing

broad diversification. A sound,

structured investment process.

For these reasons and more,

the Principal LifeTime portfolios

can help you give your participants

an edge when it comes to

saving for retirement.



WE'LL GIVE YOU AN EDGE®

The Principal Financial Group®, Des Moines, Iowa 50392-0001
principal.com

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.

Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting principal.com.

Investing involves risk, including possible loss of principal.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk; as interest rates rise their value will decline. **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. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks. High yield investment options are subject to greater credit risk associated with high yield bonds. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

Specialty investment options may experience greater volatility than investment options with a broader investment strategy due to sector focus. These investment options are not intended to serve as a complete investment program.

The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations, and the inability to close out certain hedged positions to avoid adverse tax consequences.

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.

Insurance products and plan administrative services provided through Principal Life Insurance Co. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 800-547-7754, Member SIPC and/or independent broker/dealers. Principal Life, Principal Funds Distributor, Inc. 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. Separate Accounts are available through a group annuity contract with Principal Life Insurance Company. See the group annuity contract for the full name of the Separate Account. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as permitted by the group annuity contracts providing access to the Separate Accounts or 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.

This investment option may not provide adequate income in retirement.

Each Principal LifeTime portfolio may not be available in all share classes.

The retirement age assumed in references of "retirement date" or "normal retirement age" is 65.