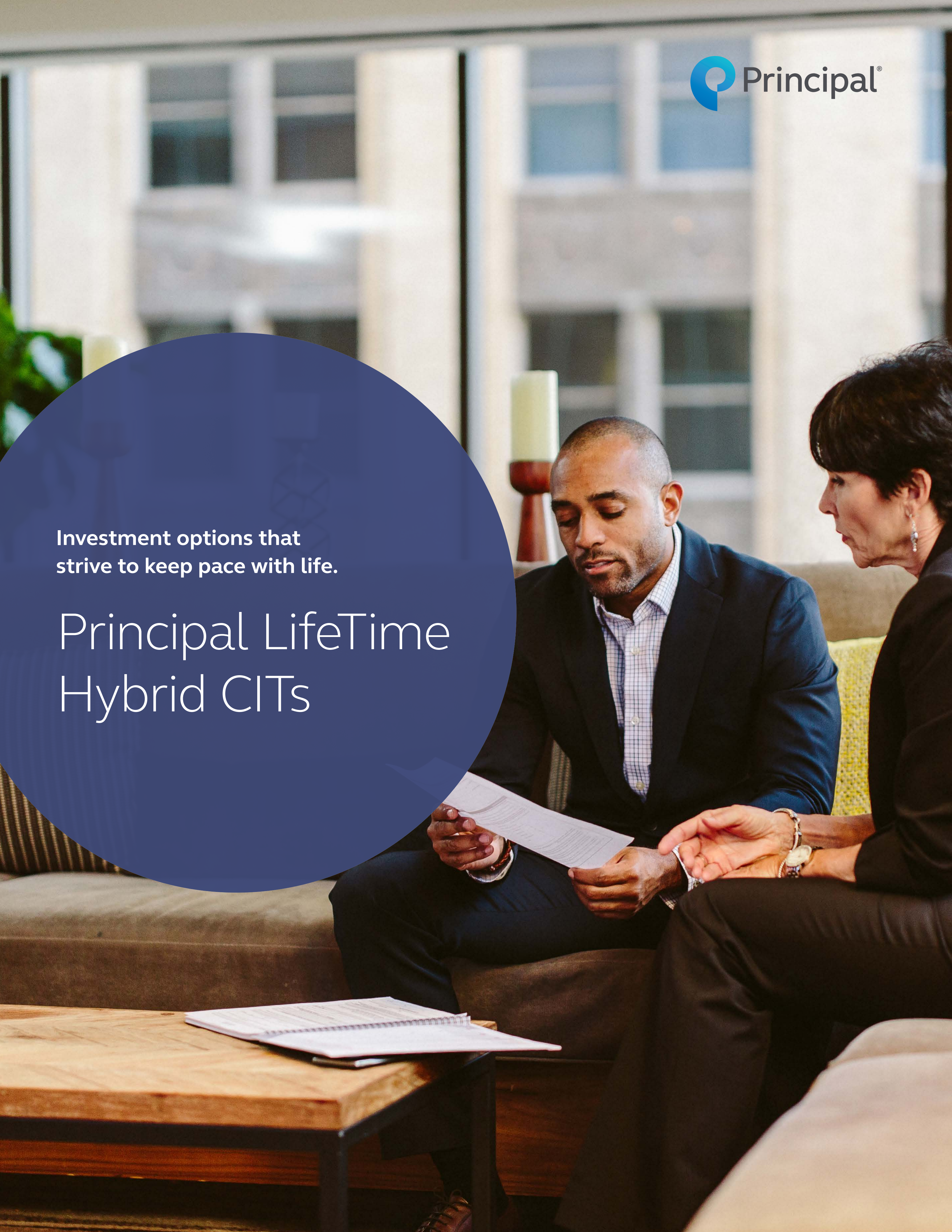


Investment options that strive to keep pace with life.

Principal LifeTime Hybrid CITs

Most employees need a little help when it comes to saving for retirement. And now more than ever, your employees are searching for efficient ways to invest their hard-earned retirement savings.

You can help provide that opportunity with Principal LifeTime Hybrid Collective Investment Funds (CITs), a series of target date funds developed for qualified plans and maintained under a collective investment trust.

Principal LifeTime Hybrid CITs offer some potential benefits:

A diversified choice for you and your participants

A more passively managed investment option

A sound, structured investment process

An investment option that satisfies the Qualified Default Investment Alternative (QDIA) regulatory requirements[1]

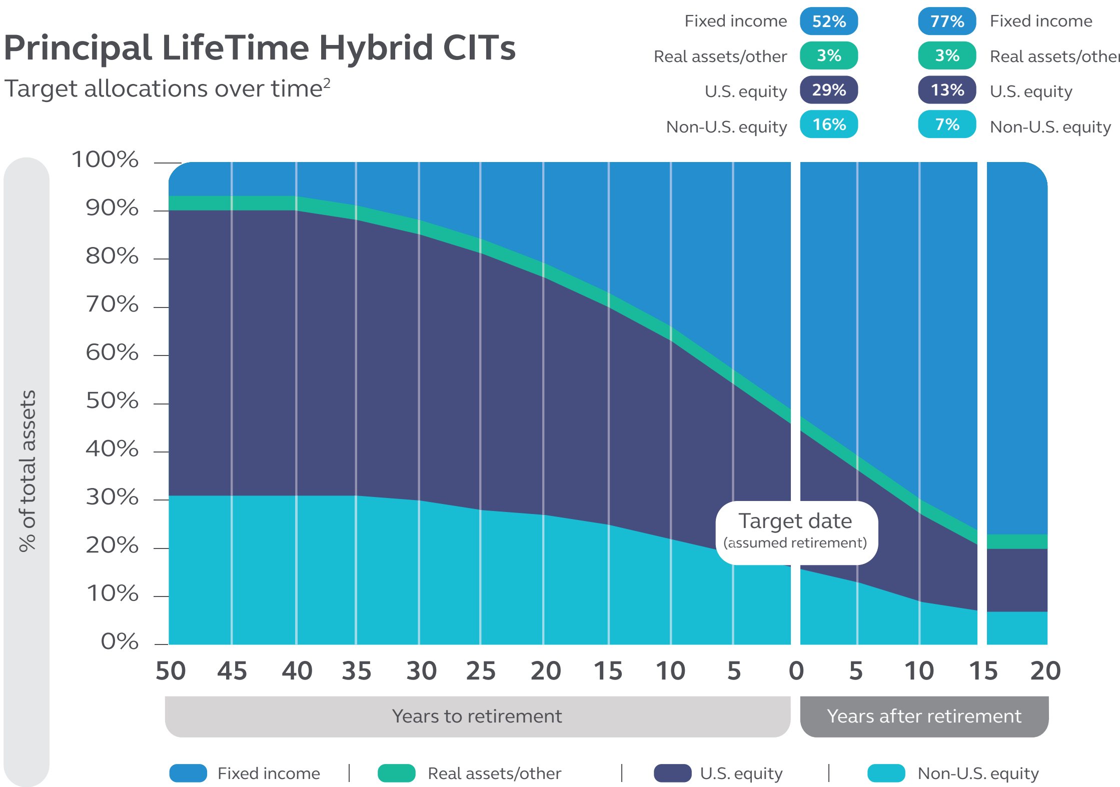
[1] The ultimate decision as to whether a Principal LifeTime Hybrid CIT is an appropriate investment option for a plan and whether a target date fund can serve as a QDIA belongs to the appropriate retirement plan fiduciaries.

Take a closer look

What if a participant chooses the 2035 portfolio with approximately 15 years until retirement? Today the asset allocation looks a little more aggressive. But over time, the portfolio will gradually become more conservative.

Principal LifeTime Hybrid CITs

Target allocations over time[2]



What if the participant plans to work longer? We've got that covered too. The asset allocations of the Principal LifeTime Hybrid CITs are managed for 15 years beyond retirement, so they provide an appropriate exit point whenever a participant decides to retire.

How a portfolio evolves with a participant's needs:

Situation	Allocation[4] Fixed income	Real assets/other	U.S. equities	Non-U.S. equities
Participant chooses the 2035 portfolio and has approximately 15 years until retirement.	24%	3%	47%	26%
Participant reaches target retirement date. Along the way, the portfolio has become more conservative.	52%	3%	29%	16%
Participant has been retired for 15 years. The portfolio reaches its final allocation.	77%	3%	13%	7%

[2] As of October 31, 2017.

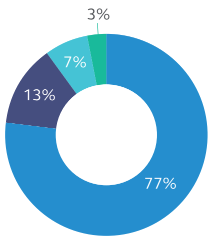
[3] Shareholders receive exposure to real assets and alternative investment strategies through certain underlying funds.

[4] As of October 2017. Allocations based on current allocation targets.

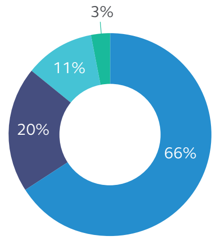
Asset allocation and diversification do not ensure a profit or protect against a loss.

Principal LifeTime Hybrid CIT allocations[5]

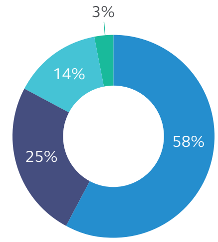
Fixed income · U.S. equity · Non-U.S. equity · Real assets/other



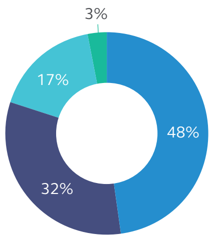
Principal LifeTime Hybrid CIT Income
Participants may wish to consider this option if they're approximately 15 years beyond normal retirement age.



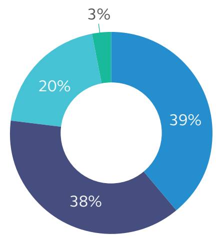
Principal LifeTime Hybrid CIT 2010
Participants may wish to consider this option if they're less than 15 years beyond normal retirement age.



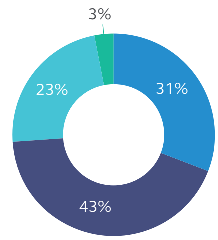
Principal LifeTime Hybrid CIT 2015
Participants may wish to consider this option if they retired between 2013 and 2017.



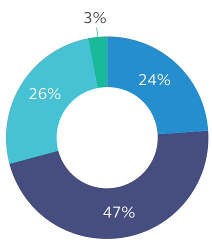
Principal LifeTime Hybrid CIT 2020
Participants may wish to consider this option if retiring between now and 2022.



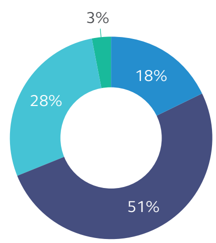
Principal LifeTime Hybrid CIT 2025
Participants may wish to consider this option if retiring between 2023 and 2027.



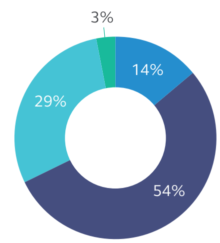
Principal LifeTime Hybrid CIT 2030
Participants may wish to consider this option if retiring between 2028 and 2032.



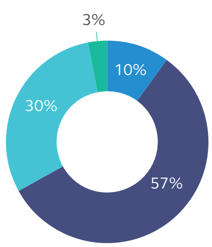
Principal LifeTime Hybrid CIT 2035
Participants may wish to consider this option if retiring between 2033 and 2037.



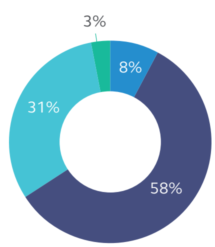
Principal LifeTime Hybrid CIT 2040
Participants may wish to consider this option if retiring between 2038 and 2042.



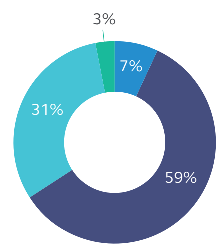
Principal LifeTime Hybrid CIT 2045
Participants may wish to consider this option if retiring between 2043 and 2047.



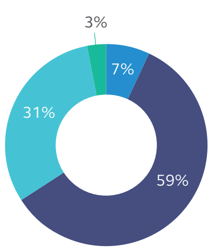
Principal LifeTime Hybrid CIT 2050
Participants may wish to consider this option if retiring between 2048 and 2052.



Principal LifeTime Hybrid CIT 2055
Participants may wish to consider this option if retiring between 2053 and 2057.



Principal LifeTime Hybrid CIT 2060
Participants may wish to consider this option if retiring between 2058 and 2062.



Principal LifeTime Hybrid CIT 2065
Participants may wish to consider this option if retiring beyond 2062.

[5] As of October 2017. 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 Hybrid CIT series to accommodate plan participants with later normal retirement dates as they enter the workforce.

Asset allocation and diversification do not ensure a profit or protect against a loss.

Understanding the features of a CIT

A CIT is a pooled-investment vehicle designed for retirement plans and is maintained by a bank or trust company. It's generally available for qualified (except 403(b) plans) and governmental 457(b) plans. It's a tax-exempt trust and may act as a QDIA.[6]

CITs have been gathering momentum in the defined contribution (DC) plan market. Product and technology improvements have equipped CITs with many of the advantages enjoyed by mutual funds, such as daily valuation and automated trading through the National Securities Clearing Corporation (NSCC).

CITs can provide certain economies. Because they are exempt from registration with the Securities and Exchange Commission (SEC), they are not subject to some of the operational expenses that impact other investment options.

With today's close scrutiny of retirement plan fees and their impact on return, CITs have become an attractive option for plan sponsors concerned about managing their fiduciary responsibilities.

Helping participants reach the retirement they deserve

The Principal LifeTime Hybrid CITs embrace a multi-asset class and multi-managed approach to cover a broad range of participant needs. Principal LifeTime Hybrid CITs follow four basic principles:

- Broad diversification across traditional and specialty asset classes.
- Disciplined risk management as each stage of the investment process.
- Professional investment managers representing a wide range of asset classes, investment styles and firms.
- Complementary investment styles.

Investment management process

With the goal to provide superior outcomes, we regularly monitor each manager through our quantitative and qualitative due diligence process.

The investment management process includes four steps:

1 Selecting asset classes

Every asset class selected for the Principal LifeTime Hybrid CITs must meet certain eligibility requirements and have a clearly defined role in the strategy including:

- Capital appreciation potential
- Current income generation
- Capital preservation
- Diversification characteristics
- Risk hedging characteristics

2 Designing informed glide paths

As each portfolio approaches its target date, the investment mix adjusts to become more conservative. The asset allocation for each portfolio is regularly re-adjusted for 15 years beyond the target date. Principal LifeTime Hybrid CITs assume the funds will be withdrawn gradually in retirement.

3 Constructing portfolios

The investment team identifies asset classes they believe will provide the greatest opportunities to outperform their corresponding indexes through active management. They also identify asset classes less likely to outperform their indexes, after fees are taken into account, and represent those through passively-managed investment portfolios. The goal is to minimize portfolio volatility while maintaining strong returns.

The CITs provide a variety of investment styles and complementary approaches.

They use a combination of sub-advisors and, as a result, are classified within the industry as "multiple manager" target date funds.

4 Implementing strategic rebalancing

Finally, each asset class has a range to strategically rebalance the portfolios while maintaining sensitivity to transaction costs and market impact. The primary focus is to control and manage systematic risks, not to forecast short-term market trends.

Principal LifeTime Hybrid CITs may invest in various types of investments including Principal Funds, Inc. institutional class shares, Principal Life Insurance Company Separate Accounts and other collective investment trusts and mutual funds. Each CIT is managed toward a particular target (retirement) date, or the approximate date the participant or investor starts withdrawing money.

Multiple investment managers of underlying asset classes

BlackRock
Brookfield
Credit Suisse
Dimensional
First State Investments
LoganCircle Partners
Macquarie
Mellon Capital
Neuberger Berman
Origin Asset Management
Pictet 1805
Post Advisory Group
Principal®
Reaves Asset Management
Spectrum
Stone Harbor Investment Partners
Symphony Asset Management
Tortoise Capital Advisors

The investment managers used within Principal LifeTime Hybrid CITs can change at any time. This is just a sampling.

Getting fiduciary support through a QDIA

You can get fiduciary relief with a target date fund as your QDIA. You'll receive safe harbor protection from fiduciary liability when you select and monitor default investments.[6] But keep in mind, the regulations don't relieve a fiduciary of their responsibility to select and monitor the QDIA.

Principal Life is a fiduciary with regard to the selection and monitoring of investment managers for our Sub-Advised Investment Options including the Principal LifeTime Hybrid CITs. Principal Life also warrants our Sub-Advised Investment Options as appropriate investment options to be offered to retirement plans. ERISA imposes on the plan administrator or other appropriate plan fiduciary ongoing accountability for the selection and monitoring of those to whom specific fiduciary responsibilities have been delegated or on whom the plan administrator is depending for help in meeting its own fiduciary obligations.[7]

Saving for retirement doesn't have to be hard.

Adding Principal LifeTime Hybrid CITs to your company's retirement plan today can strengthen your investment lineup and give your participants a streamlined way to save for retirement. We're here to help.

Contact your financial professional or Principal® representative today to find out more about Principal LifeTime Hybrid CITs or any of our other asset allocation choices.

[6] The ultimate decision as to whether the Principal LifeTime Hybrid CITs are an appropriate investment option for a plan and whether a target date fund can serve as a QDIA belongs to the appropriate retirement plan fiduciaries.

[7] Principal Life will hold harmless and indemnify the appropriate named fiduciary of the plan from claims by a plan participant sustained through judgment by a court of competent jurisdiction on grounds of negligence on the part of Principal Life in the selection, monitoring and retention of the portfolio managers for Principal Life Separate Accounts, or in the selection and monitoring of the appropriateness of the Sub-Advised Funds, or the Principal LifeTime Hybrid CITs for retirement plans.

About Principal LifeTime Hybrid Collective Investment Funds (CITs)

Principal LifeTime Hybrid CITs, formerly Principal Trust℠ Target Date Funds, may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime Hybrid CIT approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime Hybrid CIT 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. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.

Important information

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.

The Principal LifeTime Hybrid Collective Investment Funds (CITs) are collective investment trusts maintained by Principal Global Investors Trust Company, (the Trust Company). The Trust Company has retained Principal Global Investors, LLC, doing business as Principal Portfolio Strategies (the Adviser), to serve as investment adviser with respect to the CITs, subject to the Trust Company's supervision and review. The Adviser is an indirect wholly owned subsidiary of Principal Financial Group, Inc., and is under common control with the Trust Company. The Adviser also manages portfolios which may be included as underlying investments in the CITs. The Adviser receives management fees from these portfolios. The Adviser or other affiliates of the Trust Company may provide services to the CITs and may receive fees for such services. The CITs are available only to certain qualified retirement plans and governmental 457(b) plans.

The CITs are not mutual funds and are not registered with the Securities and Exchange Commission, the State of Oregon, 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.

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. 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. 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.

Investment manager/sub-adviser means either the Investment Adviser or Sub-Adviser to the investment or the underlying asset. The trustee of any Collective Investment Trust is the ERISA Investment Manager to the CIT. 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 manager 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.

Sub-Advised Investment Options include Separate Accounts available through a group annuity contract with Principal Life Insurance Co. Principal Funds Distributor mutual funds are distributed by Principal Funds Distributor, Inc. Principal Global Investors Trust Company Collective Investment Funds (CITs) available through a participation agreement with the Trust Company. The managers used within our sub-advised investment options can change at any time. Review each investment option for applicable investment manager or investment manager defined by ERISA.

Insurance products and plan administrative services provided through Principal Life Insurance Co., a member of the Principal Financial Group®, Des Moines, Iowa 50392.