

# Global Multi-Strategy Separate Account-I3 as of 03/31/2015

## Investment Strategy

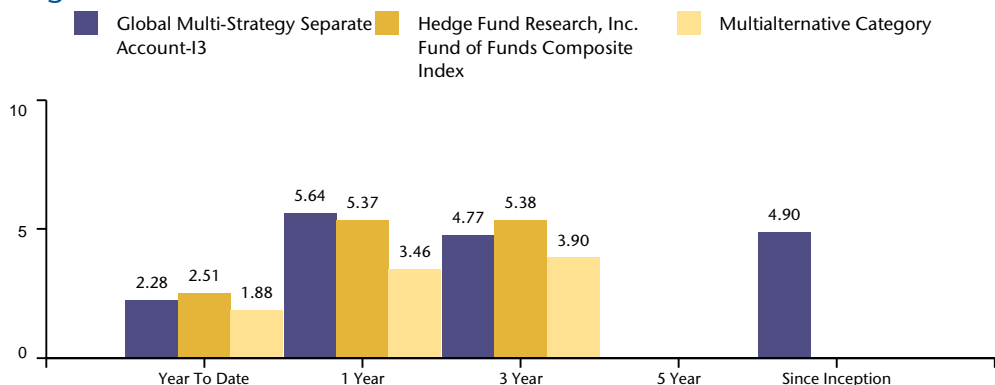
The investment seeks to achieve long-term capital appreciation with an emphasis on positive total returns and managing volatility. The fund's investment adviser allocates the fund's assets among one or more of the investment strategies, which are executed by one or more of the fund's sub-advisors. It invests in a broad range of instruments including, but not limited to, equities, bonds, currencies, convertible securities and derivatives such as futures, options, swaps and forwards. The fund can invest a higher percentage of assets in securities of individual issuers than a diversified fund. It is non-diversified.



## Portfolio managers

**Kelly A. Grossman** Since 10/24/2011. B.A., University of Northern Iowa  
**Benjamin E. Rotenberg**, CFA. Since 03/07/2014. B.A., Pomona College  
**Marcus W. Dummer** Since 03/07/2014. M.B.A., University of Utah  
**Jessica S. Bush**, CFA. Since 03/07/2014. B.A., University of Michigan  
**Jake S. Anonson**, CFA. Since 03/07/2014. M.B.A., Iowa State University

## Long-term returns % as of 03/31/2015



## Performance disclosure

*Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit principal.com, contact your representative of The Principal, or call our Participant Contact Center at 1-800-547-7754.*

*In situations where the net and gross total investment expense figures are different or where a contractual cap and/or waiver date is given, the mutual fund or the underlying fund in which a Separate Account invests has waived/capped a portion of its management fees through the date displayed in the waiver expiration date or contractual cap expiration date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are based on net total investment expense.*

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	Since Inception
Total Return %	2.28	5.64	4.77	-	4.90
Hedge Fund Research, Inc. Fund of Funds Composite Index %	2.51	5.37	5.38	3.52	-
Multialternative Category %	1.88	3.46	3.90	3.55	-
Morningstar Percentile Rankings	-	27	39	-	-
# of Funds in Category	497	372	200	129	-
Annual Returns	2014	2013	2012	2011	2010
Total Return %	3.67	-	-	-	-
Hedge Fund Research, Inc. Fund of Funds Composite Index %	3.19	8.96	4.79	-5.72	-
Multialternative Category %	1.81	4.16	3.87	-2.79	5.51
Morningstar Percentile Rankings	27	-	-	-	-
# of Funds in Category	373	268	203	175	140

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Multialternative

## Morningstar Style Box™

As of 02/28/2015

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 03/31/2015 Relative to Hedge Fund Research, Inc. Fund of Funds Composite Index

	3Yr	5Yr
Alpha	1.02	-
Beta	0.69	-
R-Squared	73.17	-
Standard Deviation	2.51	-
Mean	4.77	-
Sharpe Ratio	1.85	-
Excess Return	-0.61	-
Tracking Error	1.61	-
Information Ratio	-0.37	-

## Operations

Total Investment Expense Net	1.65%
Total Investment Expense Gross	2.18%
Contractual Cap Expiration Date	12/30/2015
Waiver Expiration Date	12/30/2015
Inception Date	09/30/2013
Extended Performance	
Inception Date#	10/24/2011
Total Net Assets (mil)	\$2,953.72



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Risk and return statistical data is calculated by Morningstar, Inc. Excess Return is calculated by Principal Life Insurance Company.

# Global Multi-Strategy Separate Account-I3 as of 03/31/2015

## Portfolio information†

Composition as of 02/28/2015

Asset Distribution		Asset Type	Net %	Short %	Long %
	■	Non-U.S. Bonds	47.18	11.79	58.98
	■	U.S. Bonds	28.94	0.00	28.94
	■	U.S. Stocks	18.61	18.58	37.19
	■	Non-U.S. Stocks	11.65	2.70	14.36
	■	Other	3.86	5.06	8.93
	■	Convertibles	2.42	0.00	2.42
	■	Preferred	0.62	0.02	0.64
	■	Cash	-13.29	77.88	64.59

## Analysis

# of Stock Hldgs	1172
# of Bond Hldgs	533
# of Other Hldgs	263
AvgMktCap (mil)	\$20,721.41
Turnover Ratio	166%
P/C Ratio	7.65
P/B Ratio	2.40
P/E Ratio	19.01

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>34.95</b>	<b>Defensive</b>	<b>26.77</b>	<b>Sensitive</b>	<b>38.27</b>
Consumer Cyclical	11.94	Healthcare	14.61	Technology	13.71
Basic Materials	8.06	Consumer Defensive	9.98	Industrials	15.28
Financial Svcs	12.33	Utilities	2.18	Energy	4.59
Real Estate	2.62			Comm Svcs	4.69

Separate Accounts are available through a group annuity contract with Principal Life Insurance Company. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member 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 Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in 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.

The full name of this investment option is Principal Global Multi-Strategy Separate Account-I3. Principal Global Multi-Strategy investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. Global Multi-Strategy Inst Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PSMIX) at <http://www.principal.com/retirement/prospectuses/prospect.htm>.

*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](http://principal.com).*

The Hedge Fund Research, Inc. Fund of Funds Composite Index is an equal-weighted index composed of over 650 constituent fund of funds, including both domestic and offshore funds.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

**Price/Projected Earnings Ratio** - The ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

**Price/Book (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated book value per share (BPS) for the current fiscal year. Book value is the total assets of a company, less total liabilities. Morningstar calculates internal estimates for the current year BPS based on the most recently reported BPS and average historical book value growth rates.

† The Portfolio Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit [principal.com](http://principal.com).

#These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.

This fund utilizes alternative investment strategies such as arbitrage, leverage, derivatives, and shorting securities in addition to traditional investments. Investment risk may be magnified with the use of these alternative strategies. In addition, securities such as bonds, equities, commodities, international and emerging market securities, and currencies are used to implement the investment strategy. These investments are subject to risks associated with market and interest rate movements. The fund is considered non-diversified which may make it more susceptible to price volatility if the fund does not meet its objective. Due to the nature of the investment process, investors should not expect significant outperformance during market rallies. Additional risks are included in the funds prospectus. It is possible to lose money when investing in the fund.

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.

\* Values may exceed 100% if both long and short positions are included in the portfolio.



## Investment Option Performance Results and Statistics

### Global Multi-Strategy and Bond Account Comparison|

#### Contents

- Investment Performance and Risk & Return Statistics
- Disclosures, Glossary of Terms & Index

#### **The Principal Financial Group<sup>®</sup>: Outcome-based Retirement Expertise**

The Principal<sup>®</sup> understands the fiduciary responsibilities plan sponsors face in developing and monitoring an investment lineup to help meet the diverse needs of today's retirement plan participants, including volatility, inflation, and longevity risks. The Principal undertakes a rigorous due diligence process as a direct response to this challenge, resulting in a key differentiator that seeks to address these needs and key risks — our **Sub-Advised Investment Options<sup>1</sup>**.

Through the due diligence process The Principal<sup>®</sup> identifies, hires, and monitors a **select group of investment managers** and provides plan sponsors and participants access to retirement-focused investment options and investment managers that are typically only available to large, institutional retirement plans. Through this defined and proven process, the member companies of The Principal are able to make available to plan sponsors and their financial professionals a level of indemnification and fiduciary support.

<sup>1</sup>Sub-Advised Investment Options include the Principal Stable Value Fund, Principal Funds, the Principal Trust<sup>SM</sup> Target Date Collective Investment Funds, and the Principal Life Separate Accounts available through a group annuity contract with Principal Life Insurance Company, Des Moines, IA 50392.



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## Investment Performance

### Global Multi-Strategy and Bond Account Comparison

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*In situations where the net and gross total investment expense figures are different, the mutual fund or underlying fund in which a Separate Account invests has waived/capped a portion of its management fees through the date displayed in the Waiver Expiration Date or Contractual Cap Expiration Date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are always based on net total investment expense.*

*For more performance information, including most recent month-end performance, visit [www.principal.com](http://www.principal.com), contact your representative of the Principal Financial Group® (The Principal®), or call our Participant Call Center at 1-800-547-7754.*

Average Annual Total Returns through 05/31/2015										
Inv Manager or Sub-Advisor Investment Option	Last 3 mos	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Total Inv. Exp. Net / Gross	Contractual Cap/Waiver Expire Date
<b>Large U.S. Equity</b>										
<b>Large Blend</b>										
Principal Global Investors LargeCap S&P 500 Index Separate Account-R6 <sup>2, 8, 44</sup>	0.56	3.10	11.37	19.24	16.14	7.79	9.22	01/01/1990	0.31 / 0.31	- -
<b>Fixed Income</b>										
<b>Intermediate-Term Bond</b>										
Mellon Capital Mgmt Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	-0.22	0.82	2.58	1.73	3.42	-	3.70	12/30/2009	0.41 / 0.41	- -
Principal Global Investors Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	-0.06	1.48	2.63	3.27	5.28	4.73	7.98	02/01/1983	0.55 / 0.55	- -
<b>Other</b>										
<b>Multialternative</b>										
Multiple Sub-Advisors Global Multi-Strategy Separate Account-I3 <sup>3, 13, 41, 44</sup>	0.63	2.64	4.86	5.17	-	-	4.77	09/30/2013	1.65 / 2.18	12/30/2015 12/30/2015

*Please see important disclosures at the end of this presentation.*

# Calendar Year Performance Report

## Global Multi-Strategy and Bond Account Comparison

For performance information, including most recent month-end performance, visit [www.principal.com](http://www.principal.com), contact your representative of The Principal, or call our Participant Call Center at 1-800-547-7754.

Inv Manager or Sub-Advisor Investment Option	Calendar Year Performance										Inception Date
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
<b>Large U.S. Equity</b>											
<b>Large Blend</b>											
<i>Principal Global Investors</i> LargeCap S&P 500 Index Separate Account-R6 <sup>2, 8, 44</sup>	13.23	31.90	15.63	1.82	14.68	26.09	-37.10	5.18	15.46	4.58	01/01/1990
<b>Fixed Income</b>											
<b>Intermediate-Term Bond</b>											
<i>Mellon Capital Mgmt</i> Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	5.52	-2.65	3.73	7.30	5.74	-	-	-	-	-	12/30/2009
<i>Principal Global Investors</i> Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	5.29	-0.81	7.75	7.01	11.77	21.81	-13.06	3.83	4.72	2.64	02/01/1983
<b>Other</b>											
<b>Multialternative</b>											
<i>Multiple Sub-Advisors</i> Global Multi-Strategy Separate Account-I3 <sup>3, 13, 41, 44</sup>	3.67	5.45	5.96	-	-	-	-	-	-	-	09/30/2013

Please see important disclosures at the end of this presentation.



# Risk and Return Statistics

## Global Multi-Strategy and Bond Account Comparison

Risk and Return Statistics through 2 05/31/2015			
	3 Year		
Inv Manager or Sub-Advisor Investment Option	Sharpe Ratio	Std Dev	Inception Date
<b>Large U.S. Equity</b>			
<b>Large Blend</b>			
<i>Principal Global Investors</i>			
LargeCap S&P 500 Index Separate Account-R6 2, 8, 44	2.13	8.45	01/01/1990
Relative to Standard & Poor's 500 Index			
<b>Fixed Income</b>			
<b>Intermediate-Term Bond</b>			
<i>Mellon Capital Mgmt</i>			
Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	0.59	2.88	12/30/2009
Relative to Barclays Aggregate Bond Index			
<i>Principal Global Investors</i>			
Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	1.13	2.84	02/01/1983
Relative to Barclays Aggregate Bond Index			
<b>Other</b>			
<b>Multialternative</b>			
<i>Multiple Sub-Advisors</i>			
Global Multi-Strategy Separate Account-I3 <sup>3, 13, 41, 44</sup>	2.09	2.41	09/30/2013
Relative to Hedge Fund Research, Inc. Fund of Funds Composite Index			

Risk and return statistics for Mutual Fund Network options are calculated relative to Morningstar's Category Index.

Morningstar's Star Ratings reflect risk adjusted performance and are derived from a weighted average of the performance figures associated with its three, five, and ten-year (if applicable) time periods. 1

Risk and return statistical data is calculated by Morningstar, Inc. Excess Return is calculated by Principal Life Insurance Company.

DB PCRPs Sep Accts - Version 15, R6



# Disclosures

**This information must be accompanied by performance results for 1, 5, and 10 year/since inception time periods as of the most recent calendar quarter end.**

*Sub-advised Investment Options include Separate Accounts available through a group annuity contract with the Principal Life Insurance Company. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in 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.*

*Returns shown for periods of less than one year are not annualized. All returns displayed here are after Total Investment Expense of the investment option.*

*Investment options are subject to investment risk. Shares or unit values will fluctuate and investments, when redeemed, may be worth more or less than their original cost. This does not apply, however, to the guaranteed portions of group annuity contracts issued by Principal Life that constitute guaranteed benefit policies as defined in ERISA §401(b)(2)(B).*

*Any operating expenses of a mutual fund or underlying mutual fund that are part of net Total Investment Expense are obtained from the mutual fund's most recent prospectus. The operating expenses shown as part of Total Investment Expense include voluntary expense limits and fee credit.*

***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](http://principal.com).***

*For a Separate Account investment option, Total Investment Expense gross equals the sum of these expenses: (a) the amount of money, expressed as a percentage, deducted for the costs of managing a separate account where applicable, fees for plan administrative services and agent compensation, plus (b) if the separate account invests in an underlying mutual fund, the total fund operating expenses of the underlying mutual fund, plus (c) if an underlying mutual fund invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual Total Investment Expense may change if an underlying mutual fund's allocation of assets to other mutual funds changes.*

*Compliance number: t131004029q*

*2. 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 represent. There is no assurance an index based investment option will match the performance of the index tracked.*

*3. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*

*8. S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has 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 & Poor's makes no representation regarding the advisability of investing in the product.*

13. *These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.*

19. *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.*

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

41. *This fund utilizes alternative investment strategies such as arbitrage, leverage, derivatives, and shorting securities in addition to traditional investments. Investment risk may be magnified with the use of these alternative strategies. In addition, securities such as bonds, equities, commodities, international and emerging market securities, and currencies are used to implement the investment strategy. These investments are subject to risks associated with market and interest rate movements. The fund is considered non-diversified which may make it more susceptible to price volatility if the fund does not meet its objective. Due to the nature of the investment process, investors should not expect significant outperformance during market rallies. Additional risks are included in the funds prospectus. It is possible to lose money when investing in the fund.*

44. *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.*

## Glossary of Terms

**7 Day Yield** - The 7-Day Yield % more closely reflects the current earnings of this money market investment option than the total return displayed.

**Total Investment Expense Gross** - The maximum expense ratio that can be applied to an investment option. This includes expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment option, except brokerage costs.

**Total Investment Expense Net** - Gross expense ratio less any fee waivers, reimbursements or caps. The expenses, as a percentage of net assets, actually borne by the fund. Investment performance results are always net of expense ratios.

**Expense Waiver** - The investment advisor can waive a portion of their management fees resulting in a lower net investment expense ratio.

**Contractual Cap** - A contractual agreement between the investment advisor and the fund to limit, as a percentage of net assets, the expenses borne by the fund.

**Inception Date** - Date on which the investment option began its operations.

**Sharpe Ratio** - The Sharpe ratio is a measure developed by Nobel Laureate William Sharpe to evaluate how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. It is calculated using standard deviation and excess return to determine reward per unit of risk. First, the average monthly return of the 90-day Treasury bill (over the defined time period) is subtracted from the investment's average monthly return. The difference in total return represents the investment's excess return beyond that of the 90-day Treasury bill, a risk-free investment. An arithmetic annualized excess return is then calculated by multiplying this monthly return by 12. To show a relationship between excess return and risk, this number is divided by the standard deviation of the investment's annualized excess returns.

**Standard Deviation** - Standard deviation is a statistical measure of how much an investment's returns are likely to fluctuate. These ranges assume that an investment's returns fall in a typical bell-shaped distribution. In any case, the greater the standard deviation, the greater the volatility. When an investment has a high standard deviation, its range of performance has been very wide, indicating that there is a greater potential for volatility.

**Investment Advisor** - May include Registered Investment Advisers as defined in the Advisers Act of 1940, Investment Advisers as defined in the Investment Company Act of 1940, as well as a company employed by the investment option's advisor to handle the investment option's day-to-day management. In these instances, the portfolio manager generally works for the fund's subadvisor, and not the advisor. See definition of Multiple Sub-Advisor appearing elsewhere in this presentation for greater detail about Sub-Advisors.



## Investment Option Performance Results and Statistics

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## Investment Performance

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown.

In situations where the net and gross total investment expense figures are different, the mutual fund or underlying fund in which a Separate Account invests has waived/capped a portion of its management fees through the date displayed in the Waiver Expiration Date or Contractual Cap Expiration Date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are always based on net total investment expense.

For more performance information, including most recent month-end performance, visit [www.principal.com](http://www.principal.com), contact your representative of the Principal Financial Group® (The Principal®), or call our Participant Call Center at 1-800-547-7754.

Average Annual Total Returns through 03/31/2015									
Inv Manager or Sub-Advisor Investment Option	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Total Inv. Exp. Net / Gross	Contractual Cap/Waiver Expire Date
<b>Large U.S. Equity</b>									
<b>Large Blend</b>									
Principal Global Investors LargeCap S&P 500 Index Separate Account-R6 <sup>2, 8, 44</sup>	0.88	12.30	15.70	14.08	7.68	9.19	01/01/1990	0.31 / 0.31	- -
<b>Fixed Income</b>									
<b>Intermediate-Term Bond</b>									
Mellon Capital Mgmt Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	1.51	5.28	2.60	3.90	-	3.95	12/30/2009	0.41 / 0.41	- -
Principal Global Investors Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	1.91	5.10	4.03	5.71	5.00	8.04	02/01/1983	0.55 / 0.55	- -
<b>Other</b>									
<b>Multialternative</b>									
Multiple Sub-Advisors Global Multi-Strategy Separate Account-I3 <sup>3, 13, 41, 44</sup>	2.28	5.64	4.77	-	-	4.90	09/30/2013	1.65 / 2.18	12/30/2015 12/30/2015

Please see important disclosures at the end of this presentation.





## Investment Holdings and Composition Information

For performance information, including most recent month-end performance, visit [www.principal.com](http://www.principal.com), contact your representative of The Principal, or call our Participant Call Center at 1-800-547-7754.

Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit [www.principal.com](http://www.principal.com) for Investment Options. The securities mention do not constitute an offer or recommendation to buy, sell or hold any security.

Report As Of 03/31/2015				
Inv Manager or Sub-Advisor Investment Option	Effective Date	Portfolio Composition-Net (% of Assets)		Number Of Holdings
<b>Large U.S. Equity</b>				
<b>Large Blend</b>				
<i>Principal Global Investors</i> LargeCap S&P 500 Index Separate Account-R6 <sup>2, 8, 44</sup>	02/28/2015	U.S. Stocks	94.41	
		Non-U.S. Stocks	1.04	
		U.S. Bonds	0.00	Stocks 497
		Non-U.S. Bonds	0.00	Bonds 0
		Preferred	0.00	Other 6
		Cash	4.05	
		Other	0.50	
<b>Fixed Income</b>				
<b>Intermediate-Term Bond</b>				
<i>Mellon Capital Mgmt</i> Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	02/28/2015	U.S. Stocks	0.00	
		Non-U.S. Stocks	0.00	
		U.S. Bonds	89.44	Stocks 0
		Non-U.S. Bonds	9.39	Bonds 9368
		Preferred	0.01	Other 37
		Cash	1.16	
		Other	0.00	
<i>Principal Global Investors</i> Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	02/28/2015	U.S. Stocks	0.00	
		Non-U.S. Stocks	0.00	
		U.S. Bonds	0.00	Stocks 1
		Non-U.S. Bonds	0.00	Bonds 1686
		Preferred	0.00	Other 98
		Cash	0.00	
		Other	0.00	
<b>Other</b>				
<b>Multialternative</b>				
<i>Multiple Sub-Advisors</i> Global Multi-Strategy Separate Account-I3 <sup>3, 13, 41, 44</sup>	02/28/2015	U.S. Stocks	0.00	
		Non-U.S. Stocks	0.00	
		U.S. Bonds	0.00	Stocks 1172
		Non-U.S. Bonds	0.00	Bonds 533
		Preferred	0.00	Other 263
		Cash	0.00	
		Other	0.00	

Effective with 10/31/2010 reports, net positions are displayed for Portfolio Composition information. Prior to this date, long positions (rescaled) were displayed.

Please see important disclosures at the end of this presentation.





## Bond Investment Option Holding Statistics

For performance information, including most recent month-end performance, visit [www.principal.com](http://www.principal.com), contact your representative of The Principal, or call our Participant Call Center at 1-800-547-7754.

Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit [www.principal.com](http://www.principal.com) for Investment Options. The securities mention do not constitute an offer or recommendation to buy, sell or hold any security.

Report As Of 03/31/2015					
Inv Manager or Sub-Advisor	Effective Date	Bond Statistics		Credit Analysis (% of Assets)	
<b>Investment Option</b>					
<b>Fixed Income</b>					
<b>Intermediate-Term Bond</b>					
<i>Mellon Capital Mgmt</i>				<i>Effective Date: 02/28/2015</i>	
Bond Market Index Separate Account-R6 <sup>2, 19, 22</sup>	02/28/2015	Avg Eff Dur (Yrs)	5.45	AAA	71.36 BB
		Avg Eff Mat (Yrs)	7.70	AA	4.45
		Avg Wt Price	107.39	A	11.75
				BBB	12.42
<i>Principal Global Investors</i>				AAA	0.00 BB
Bond and Mortgage Separate Account-I2 <sup>19, 22, 44</sup>	02/28/2015	Avg Eff Dur (Yrs)	5.32	AA	0.00
		Avg Eff Mat (Yrs)	8.45	A	0.00
		Avg Wt Price	103.99	BBB	0.00

Please see important disclosures at the end of this presentation.

# Disclosures

*Sub-advised Investment Options include Separate Accounts available through a group annuity contract with the Principal Life Insurance Company. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in 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.*

*Returns shown for periods of less than one year are not annualized. All returns displayed here are after Total Investment Expense of the investment option.*

*Investment options are subject to investment risk. Shares or unit values will fluctuate and investments, when redeemed, may be worth more or less than their original cost. This does not apply, however, to the guaranteed portions of group annuity contracts issued by Principal Life that constitute guaranteed benefit policies as defined in ERISA §401(b)(2)(B).*

*Any operating expenses of a mutual fund or underlying mutual fund that are part of net Total Investment Expense are obtained from the mutual fund's most recent prospectus. The operating expenses shown as part of Total Investment Expense include voluntary expense limits and fee credit.*

***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.***

*A surrender charge may apply to withdrawals or transfers from an unmatured guaranteed interest account. Results shown for guaranteed accounts are average annual guaranteed interest rates.*

*The historical performance displayed for the guaranteed interest account are calculated as an accumulation of interest based on the average applicable interest rates in effect over the time period. Interest rates are market based and future interest rates will be based on future market conditions. Past rates are not indicative of expected future rates. Current rates may be lower or higher than what is shown here.*

*For a Separate Account investment option, Total Investment Expense gross equals the sum of these expenses: (a) the amount of money, expressed as a percentage, deducted for the costs of managing a separate account where applicable, fees for plan administrative services and agent compensation, plus (b) if the separate account invests in an underlying mutual fund, the total fund operating expenses of the underlying mutual fund, plus (c) if an underlying mutual funds invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual Total Investment Expense may change if an underlying mutual fund's allocation of assets to other mutual funds changes.*

*Compliance number: t131004029q*

*2. 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 represent. There is no assurance an index based investment option will match the performance of the index tracked.*

*3. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*

*8. S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has 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 & Poor's makes no representation regarding the advisability of investing in the product.*

13. *These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.*

19. *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.*

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

41. *This fund utilizes alternative investment strategies such as arbitrage, leverage, derivatives, and shorting securities in addition to traditional investments. Investment risk may be magnified with the use of these alternative strategies. In addition, securities such as bonds, equities, commodities, international and emerging market securities, and currencies are used to implement the investment strategy. These investments are subject to risks associated with market and interest rate movements. The fund is considered non-diversified which may make it more susceptible to price volatility if the fund does not meet its objective. Due to the nature of the investment process, investors should not expect significant outperformance during market rallies. Additional risks are included in the funds prospectus. It is possible to lose money when investing in the fund.*

44. *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.*

## Glossary of Terms

**7 Day Yield** - The 7-Day Yield % more closely reflects the current earnings of this money market investment option than the total return displayed.

**Average Credit Quality** - An average of all the credit quality positions for an investment option's bond holdings.

**Average Effective Duration** - A measure of a fixed income investment option's interest-rate sensitivity and represents an approximate percent change in bond's price for a one percent change in interest rates -the longer a fund's duration, the more sensitive the portfolio is to shifts in interest rates. The duration of a fixed income investment option is determined by a formula that includes projected cash flows, such as coupons and principal payout at maturities for bonds.

**Average Weighted Maturity** - Average effective maturity is a weighted average of all the effective maturities of the bonds in a portfolio.

**Average Weighted Price** - This statistic is calculated by weighting the price of each bond by its relative size in the portfolio. This number reveals if the investment option favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

**Composition** - A breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. Cash encompasses both actual cash and cash equivalents (fixed-income securities with a maturity of one year or less) held by the portfolio plus receivables minus payables. Stocks include only the portfolio's common stocks. Bonds include everything from government notes to high-yield corporate bonds. Other includes preferred stocks (equity securities that pay dividends at a specific rate) as well as convertible bonds and convertible preferreds, which are corporate securities that are exchangeable for a set amount of another form of security (usually common shares) at a pre-stated price. Other also denotes all those not-so-neatly categorized securities, such as warrants and options. When listed, U.S stocks reflects the portion of the portfolio invested in domestic companies, while Non-U.S. Stocks reflects the portion of the portfolio invested in Non-U.S. companies. The composition is obtained from quarterly surveys and investment option portfolios.

**Coupon** - The fixed percentage paid out on a fixed-income security on an annual basis.

**Credit Analysis** - Shows the percentage of fixed-income securities that fall within each credit-quality rating, as assigned by Standard & Poor's or Moody's, and depicts the quality of bonds in the portfolio. Higher ratings indicate a lower credit risk, and lower ratings indicate a higher credit risk. Per the Morningstar Fixed Income Survey guidelines, if two rating agencies rate a security, then the lowest rating is used. The credit analysis may not reflect the current portfolio composition. AAA-rated securities include cash and cash equivalents.

**Total Investment Expense Gross** - The maximum expense ratio that can be applied to an investment option. This includes expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment option, except brokerage costs.

**Total Investment Expense Net** - Gross expense ratio less any fee waivers, reimbursements or caps. The expenses, as a percentage of net assets, actually borne by the fund. Investment performance results are always net of expense ratios.

**Expense Waiver** - The investment advisor can waive a portion of their management fees resulting in a lower net investment expense ratio.

**Contractual Cap** - A contractual agreement between the investment advisor and the fund to limit, as a percentage of net assets, the expenses borne by the fund.

**Inception Date** - Date on which the investment option began its operations.

**Sharpe Ratio** - The Sharpe ratio is a measure developed by Nobel Laureate William Sharpe to evaluate how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. It is calculated using standard deviation and excess return to determine reward per unit of risk. First, the average monthly return of the 90-day Treasury bill (over the defined time period) is subtracted from the investment's average monthly return. The difference in total return represents the investment's excess return beyond that of the 90-day Treasury bill, a risk-free investment. An arithmetic annualized excess return is then calculated by multiplying this monthly return by 12. To show a relationship between excess return and risk, this number is divided by the standard deviation of the investment's annualized excess returns.

**Standard Deviation** - Standard deviation is a statistical measure of how much an investment's returns are likely to fluctuate. These ranges assume that an investment's returns fall in a typical bell-shaped distribution. In any case, the greater the standard deviation, the greater the volatility. When an investment has a high standard deviation, its range of performance has been very wide, indicating that there is a greater potential for volatility.

**Investment Advisor** - May include Registered Investment Advisers as defined in the Advisers Act of 1940, Investment Advisers as defined in the Investment Company Act of 1940, as well as a company employed by the investment option's advisor to handle the investment option's day-to-day management. In these instances, the portfolio manager generally works for the fund's subadvisor, and not the advisor. See definition of Multiple Sub-Advisor appearing elsewhere in this presentation for greater detail about Sub-Advisors.

**Total Number of Bonds** - Denotes the number of bond securities an investment option holds.

**Total Number of Stocks** - Denotes the number of stock securities an investment option holds.



## Quarterly Investment Performance

### Mellon Capital Mgmt

#### Bond Market Index Separate Account-R6<sup>1, 5, 6</sup>

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1st Quarter	1.51	1.74	-0.31	0.14	0.16	1.36	-	-	-	-
2nd Quarter	-	1.98	-2.49	1.98	2.28	3.32	-	-	-	-
3rd Quarter	-	0.06	0.48	1.49	3.72	2.36	-	-	-	-
4th Quarter	-	1.65	-0.34	0.08	0.98	-1.36	-	-	-	-

### Multiple Sub-Advisors

#### Global Multi-Strategy Separate Account-I3<sup>2, 4, 7, 8</sup>

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1st Quarter	2.28	0.37	1.64	3.01	-	-	-	-	-	-
2nd Quarter	-	1.84	-0.09	-0.09	-	-	-	-	-	-
3rd Quarter	-	-0.27	0.94	1.66	-	-	-	-	-	-
4th Quarter	-	1.70	2.88	1.27	-	-	-	-	-	-

### Principal Global Investors

#### Bond and Mortgage Separate Account-I2<sup>5, 6, 8</sup>

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1st Quarter	1.91	2.10	0.30	1.86	1.77	3.90	-0.32	-1.77	1.63	-0.47
2nd Quarter	-	2.18	-2.40	2.13	1.91	3.46	9.34	-0.43	-0.81	-0.19
3rd Quarter	-	-0.04	0.50	2.47	1.51	3.98	9.32	-4.67	1.79	3.87
4th Quarter	-	0.97	0.82	1.07	1.64	-0.01	2.24	-6.76	1.19	1.49

### Principal Global Investors

#### LargeCap S&P 500 Index Separate Account-R6<sup>1, 3, 8</sup>

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1st Quarter	0.88	1.72	10.50	12.49	5.85	5.29	-10.99	-9.49	0.56	4.14
2nd Quarter	-	5.14	2.82	-2.82	0.03	-11.47	15.77	-2.75	6.20	-1.50
3rd Quarter	-	1.04	5.15	6.27	-13.92	11.20	15.46	-8.41	1.97	5.60
4th Quarter	-	4.79	10.41	-0.46	11.72	10.64	5.98	-21.97	-3.42	6.60

This information must be accompanied by performance results for 1, 5, and 10 year/since inception time periods as of the most recent calendar quarter end. Historic performance may not be available for all investment options.

# Disclosures

*Sub-advised Investment Options include Separate Accounts available through a group annuity contract with the Principal Life Insurance Company. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in 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.*

- 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 represent. There is no assurance an index based investment option will match the performance of the index tracked.*
- 2. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*
- 3. S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has 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 & Poor's makes no representation regarding the advisability of investing in the product.*
- 4. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.*
- 5. 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.*
- 6. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.*
- 7. This fund utilizes alternative investment strategies such as arbitrage, leverage, derivatives, and shorting securities in addition to traditional investments. Investment risk may be magnified with the use of these alternative strategies. In addition, securities such as bonds, equities, commodities, international and emerging market securities, and currencies are used to implement the investment strategy. These investments are subject to risks associated with market and interest rate movements. The fund is considered non-diversified which may make it more susceptible to price volatility if the fund does not meet its objective. Due to the nature of the investment process, investors should not expect significant outperformance during market rallies. Additional risks are included in the funds prospectus. It is possible to lose money when investing in the fund.*
- 8. 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.*
- 9. Principal Global Multi-Strategy investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. Global Multi-Strategy Inst Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PSMIX) at <http://www.principal.com/retirement/prospectuses/prospect.htm>*

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# Principal Global Multi-Strategy Portfolio

Managed by Principal Management Corporation;

Consulting sub-advisor: Cliffwater LLC

Sub-advised by AQR Capital Management, Wellington Management, LA Capital, Loomis Sayles, Finisterre Capital LLP, Graham Capital Management, LP and York Capital Management



Principal Management Corporation — manager of the Principal Global Multi-Strategy portfolio — has been registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 since 1968. As advisor to Principal Funds, Principal Management Corporation oversees Principal Life Insurance Company’s proprietary due diligence process for identifying, selecting and monitoring investment managers. Principal Funds offers a full range of investment options covering all core style boxes and several niche options and are sub-advised by a variety of investment managers representing some of the nation’s leading asset managers and investment boutiques.

Cliffwater — consulting sub-advisor to Principal Global Multi-Strategy portfolio — is a Delaware-registered limited liability corporation and is registered with the SEC as an investment advisor under the Investment Advisers Act of 1940. The firm was founded in 2004 as an “alternatives consultant” by a group of experienced investment consultants who believe that alternative investment strategies (hedge funds, private equity, real assets and real estate) provide significant long-term return and diversification benefits to institutional investors and that these strategies are underserved by traditional generalist consulting firms. Cliffwater is owned by active employees. The firm serves institutional clients (including pension funds, endowments and foundations, and insurance companies) and advises direct hedge fund portfolios.

The Principal Global Multi-Strategy portfolio is available as a mutual fund and as a separate account that invests wholly in Institutional class shares of the mutual fund.

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