

PRINCIPAL LIFETIME PORTFOLIOS

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**Investment  
options that  
strive to keep  
pace with life**

Most employees need a little help when it comes to saving for retirement. And they may not have the time or interest in finding an asset allocation that works for them. Target date funds try to solve that by asking a primary question: When do you plan to retire?

With Principal LifeTime portfolios, you have a series of target date funds that may help streamline investment decisions. Managing toward the target date, which can be your retirement date, the series adjusts the asset allocation over time to help balance investment and participant risks. But also know a participant can elect from any of the target date funds in the series.

Principal Lifetime portfolios offer some other potential benefits:

**A diversified choice for you and your participants**

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**A more actively managed portfolio**

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**A sound, structured investment process**

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**An investment option that satisfies the qualified default investment alternative (QDIA) regulatory requirements<sup>1</sup>**

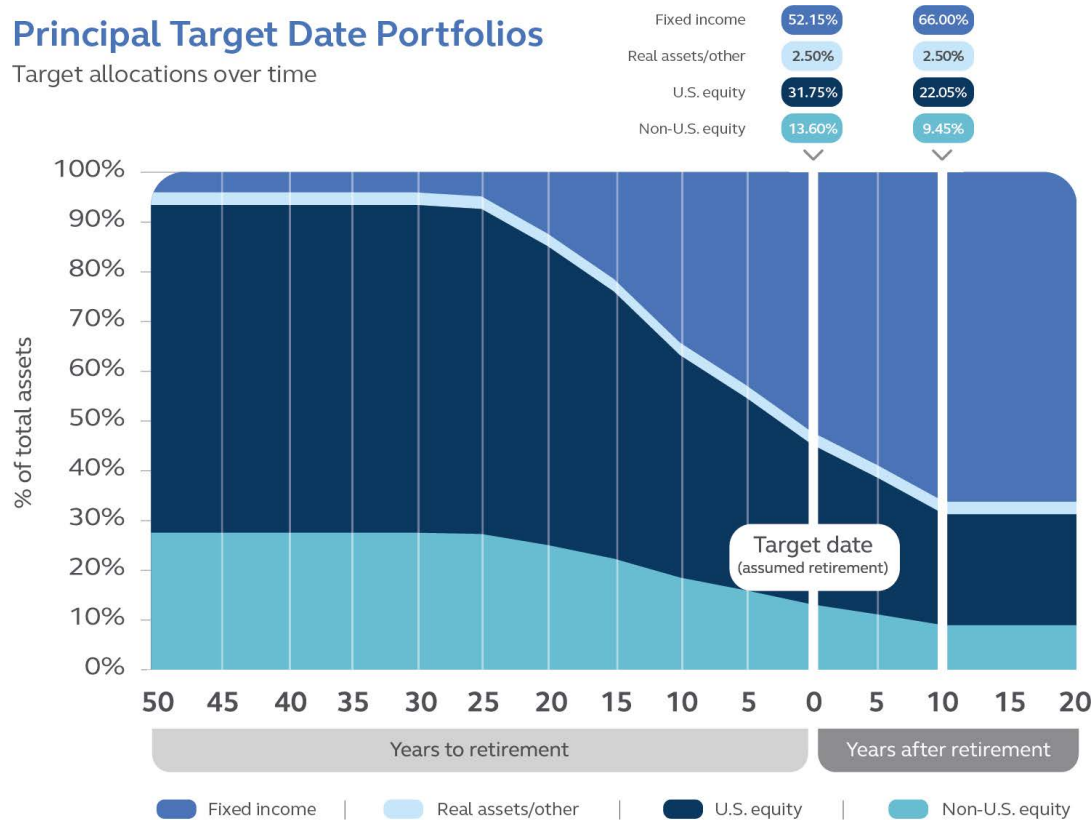
<sup>1</sup> The ultimate decision as to whether a Principal LifeTime portfolio is an appropriate investment option for a plan and whether a target date fund can serve as a QDIA belongs to the appropriate retirement plan fiduciaries.

## Take a closer look

What if a participant chooses the 2035 portfolio with approximately 10 years until retirement? Today the asset allocation looks a little more aggressive. But over time, the portfolio will gradually become more conservative.

### Principal Target Date Portfolios

Target allocations over time



What if the participant plans to work longer? We've got that covered too. The asset allocations of the Principal LifeTime portfolios are managed for 10 years beyond retirement, so they provide an exit point whenever a participant decides to retire.

### How a portfolio evolves with a participant's needs:

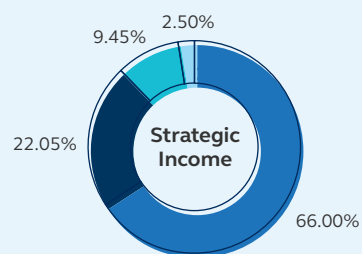
Situation	Allocation <sup>2</sup>			
	Fixed income	Real assets/other	U.S. equities	Non-U.S. equities
Participant chooses the 2035 portfolio and has approximately 10 years until retirement.	31.90%	2.50%	45.95%	19.65%
Participant reaches target retirement date. Along the way, the portfolio has become more conservative.	52.15%	2.50%	31.75%	13.60%
Participant has been retired for 10 years. The portfolio reaches its final allocation.	66.00%	2.50%	22.05%	9.45%

<sup>2</sup> As of Oct. 31, 2023. Allocations based on current allocation targets.

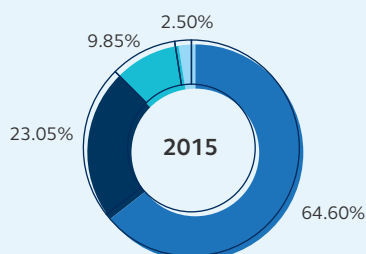
**Asset allocation and diversification do not ensure a profit or protect against a loss.**

Intended for financial professional and plan sponsor use.

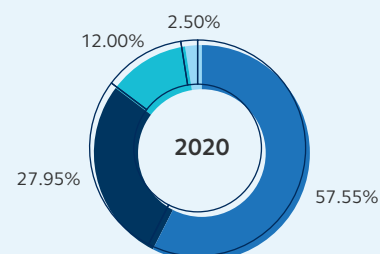
## A look at the Principal LifeTime Portfolios\*



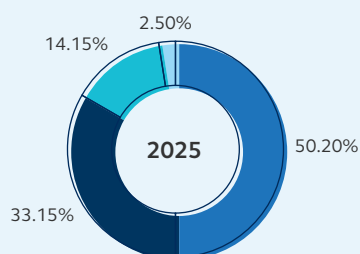
Participants may wish to consider this option if they're approximately 10 years beyond normal retirement age.



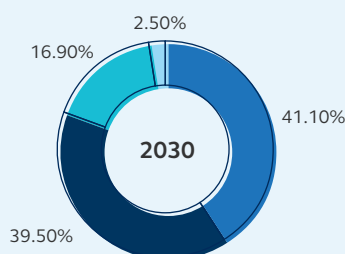
Participants may wish to consider this option if they retired between 2013 and 2017.



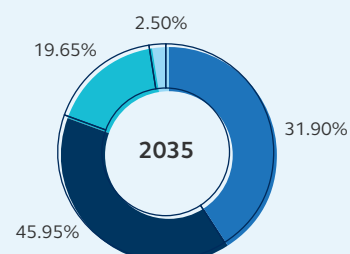
Participants may wish to consider this option if they retired between 2018 and 2022.



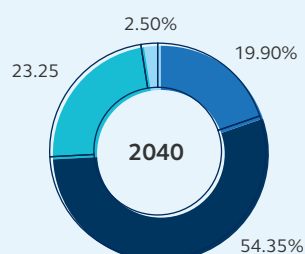
Participants may wish to consider this option if retiring between 2023 and 2027.



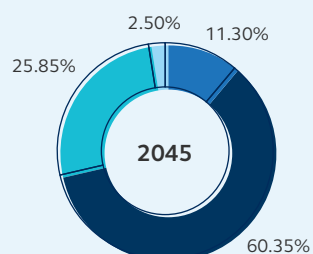
Participants may wish to consider this option if retiring between 2028 and 2032.



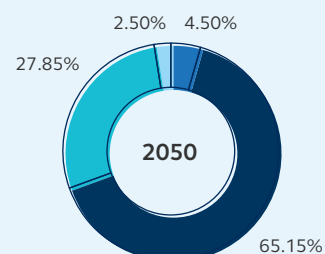
Participants may wish to consider this option if retiring between 2033 and 2037.



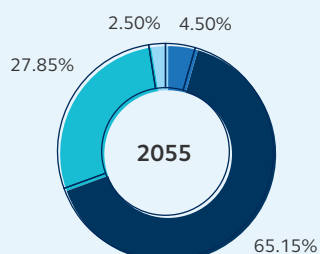
Participants may wish to consider this option if retiring between 2038 and 2042.



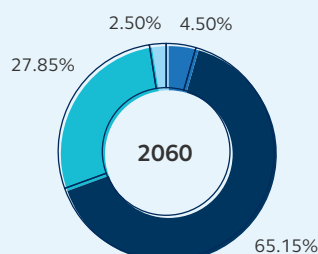
Participants may wish to consider this option if retiring between 2043 and 2047.



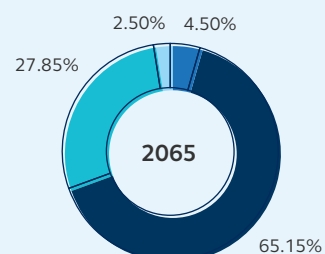
Participants may wish to consider this option if retiring between 2048 and 2052.



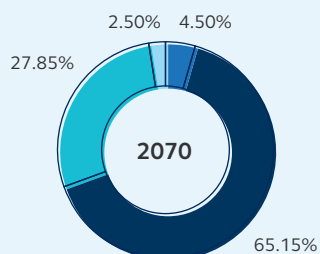
Participants may wish to consider this option if retiring between 2053 and 2057.



Participants may wish to consider this option if retiring between 2058 and 2062.



Participants may wish to consider this option if retiring between 2063 and 2067.



Participants may wish to consider this option if retiring beyond 2068.

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

As of October 31, 2023. Allocations based on current allocation targets. They will change over time. No investment strategy, such as asset allocation or diversification, can guarantee a profit or protect against loss in periods of declining values.

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

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

# Helping participants reach the retirement they deserve

Principal LifeTime portfolios embrace a multi-asset class and multi-managed approach to cover a broad range of participant needs. Each portfolio follows three basic principles:

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

## Investment management process

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

**The investment management process includes four steps:**

### 1 Define investable universe

Every asset class selected for the Principal LifeTime portfolios must meet certain eligibility requirements and have a specific 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 portfolios assume the funds will be withdrawn gradually in retirement.

### 3 Constructing portfolios

The investment team identifies some 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.

### 4 Actively manage allocations

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

The investment manager's investment philosophy and strategy may not perform as intended and could result in a loss or gain.

## Multiple investment managers of underlying asset classes



**BLACKROCK**



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

## Your fiduciary responsibility

When it comes to managing your fiduciary responsibilities, adding Principal LifeTime portfolios might offer some fiduciary relief for you while helping your participants with a streamlined approach to a diversified investment mix.

## 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.<sup>3</sup> But keep in mind, the regulations don't relieve a fiduciary of their responsibility to select and monitor the QDIA.

## Saving for retirement doesn't have to be hard

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

Contact your financial professional or your Principal<sup>®</sup> representative today to find out more about the Principal LifeTime portfolios or our other asset allocation choices.

<sup>3</sup> The ultimate decision as to whether a Principal LifeTime portfolio 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. Each participant who may have retirement funds directed to a plan's QDIA on their behalf must be notified at least 30 days in advance of the first defaulted contribution. An annual notice must be provided within a reasonable period of time (at least 30 days) prior to the beginning of each plan year. Mapping of or changes to the plan's investment options require plan fiduciaries to notify participants at least 30 days but not more than 60 days prior to the change.

## About Principal LifeTime portfolios

The Principal LifeTime portfolios, which are target date portfolios, invest in underlying Principal Funds. Each Principal LifeTime portfolio is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime portfolio 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 portfolio is regularly re-adjusted within a time frame that extends 10 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime portfolios 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 portfolios are guaranteed at any time, including the target date. Investment risk remains at all times.

## Important information

**Carefully consider the Fund's objectives, risks, charges, and expenses. Contact your financial professional or visit [principal.com](http://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 800-547-7754 or by visiting [principal.com](http://principal.com).**

### Investment and Insurance products are:

- Not insured by the FDIC or any federal government agency
- Not a deposit or other obligation of, or guaranteed by credit union or bank
- Subject to investment risks, including possible loss of the principal amount invested

**Investing involves risk, including possible loss of principal.**

**Asset allocation and diversification does 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. **International and global** investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. These risks are magnified in **emerging markets**. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to **real estate** exposure. The performance and risks of a **fund of funds** directly correspond to the performance and risks of the underlying funds in which the fund invests.

There is no guarantee that a target date investment will provide adequate income at or through retirement. A target date fund's (TDF) glide path is typically set to align with a retirement age of 65, which may be your plan's normal retirement date (NRD). If your plan's NRD/age is different, the plan may default you to a TDF based on the plan's NRD/Age. Participants may choose a TDF that does not match the plan's intended retirement date but instead aligns more to their investment risk. Compare the different TDF's to see how the mix of investments shift based on the TDF glide path.

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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.



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