



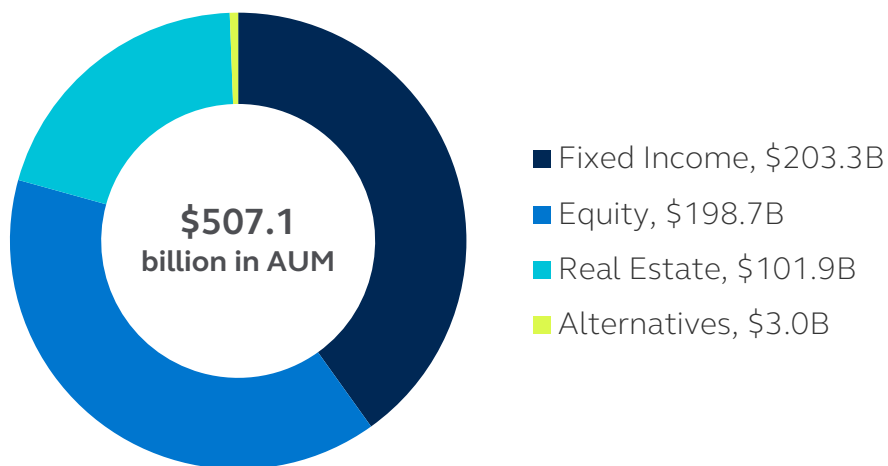
Principal SmallCap Value II Fund

SECOND QUARTER 2022

Depth of resources and support

Principal Global Investors[®]

- Network of specialized investment teams spanning a broad array of asset classes and strategies
- Relationship management and operations personnel in major financial centers around the world
- Diverse client base of institutional, professional and individual investors



As of June 30, 2022.

See Important Information page for AUM Description. Pensions & Investments, “The Best Places to Work in Money Management with 1,000 or more employees”, December 13, 2021.

Due to rounding, figures may not add up to totals or equal 100%.



Principal Financial Group[®]

- A global asset management and retirement services leader
- Serving U.S. retirement plans since 1941, international clients since 1990
- Member of the Fortune 500[®]; Nasdaq listed

Principal Global Asset Allocation

WHO WE ARE

A specialized investment team within Principal Global Investors and manager of global multi-asset investment strategies

WHAT WE DO

We construct multi-asset and multi-manager portfolios that aim to deliver risk-adjusted investment performance that meet our clients' needs.

WHO WE SERVE

Institutional and individual investors through our relationships with investment consultants, wealth management platforms, and financial advisors across the globe.



\$132 BILLION in assets

30 dedicated investment professionals

Average of **16 YEARS** investment experience

10 YEARS average firm tenure

As of June 30, 2022. See important information regarding AUM description.

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Our Principal Global Asset Allocation team

Todd Jablonski

Executive Director, CIO & Head of Asset Allocation

Andy Dion

Chief Operating Officer

INVESTMENT MANAGEMENT

Dynamic Risk

Brody Dass
Todd Jablonski
Raj Singh

Dynamic Outcome

May Tong
Jessica Bush
Marc Dummer
Kelly Grossman
Ben Rotenberg

Strategic Asset Allocation

Randy Welch
James Fennessey
Scott W. Smith

Analysts:

Sam Leung
Crystal Lockwood
Alexis Nigoghosian

Analysts:

Maria Gavilanes
Mike Messina

Analysts:

Jason Harvey
Josh Myers
Chad Severin

CLIENT PORTFOLIO MANAGEMENT

Marc Dummer
Angela Finney
Mike Reidy
Rachel Schatz

INSIGHTS

Kara Ng
Han Peng
Garrett Roche
Seema Shah

MANAGER RESEARCH

Lori Braunschweig
Laura Gage
Francisco Garrido
Kate Gudgel
Mamta Jalan
Tzvety Petrova
David Schlarmann
Rich Teisch

RISK & INNOVATION

Todd Jablonski
Vikram Josyula
Max Lalone

BUSINESS & ADMINISTRATION

**Business
Management:**
Joel Bennett

**Administrative
Assistants:**
Amy DeJong
Elaine Girling

Meet the core satellite team

PORTFOLIO MANAGERS



JAMES FENNESSEY, CFA



RANDY WELCH

- Average over 29 years of industry experience
- Co-portfolio manager structure effectively utilizes strengths of each team member
- Portfolio strategy, design, construction, implementation, and management

INVESTMENT ANALYSTS



JASON HARVEY, CFA



JOSH MYERS, CFA



CHAD SEVERIN

- Dedicated analysts to drive and support the investment process
- Support capital market expectations development
- Asset class modeling and research projects
- Portfolio management support

INSIGHTS

- Develop macro economic research, multi-asset perspectives, and global asset allocation views
- Build and track fundamental, valuation, and technical indicators

MANAGER RESEARCH

- Dedicated to identifying investment excellence across traditional and alternative investments
- Disciplined framework for selecting, researching, and ongoing monitoring of investment managers

RISK & INNOVATION

- Complement fundamental research
- Perform risk modeling
- Analyze global economic indicators
- Attribution analysis and ex-post reporting of risk and projected risk of asset classes

CLIENT PORTFOLIO MANAGEMENT

- Articulate economic backdrop, market regime, and portfolio management decisions
- Provide performance commentary and attribution

As of June 30, 2022.

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Philosophy and process

Our philosophy

Manager performance conundrum



PROBLEM:

Investor impatience creates vicious cycle of buying high and selling low.

Investors abandon talented investment managers during unfavorable market environments.



DESIRED OUTCOME:

More consistent return pattern within peer group.

Rely on strategic allocations and multiple managers to mitigate fourth quartile performance on a longer-term basis.

Our philosophy

The concept and structure

A core-satellite investment option is comprised of a core portfolio plus two or more satellite portfolios.

Core manager

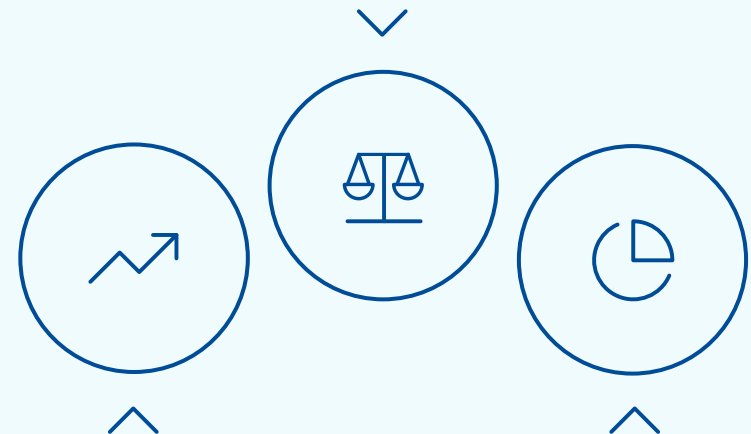
- Seeks to anchor the investment option and stabilize returns.
- Systematically managed — seeks to replicate the fund's Index.
- Handles all cash flows.

Satellite managers

- Purpose is to provide diversified source of excess return.
- Strategic pairing of complementary managers.
- Designed to manage consistency within peer group rankings.

CORE PORTFOLIO GOAL:

Stabilize returns and help reduce volatility within the investment option



SATELLITE PORTFOLIO GOAL:

Outperform the index and provide diversification

Our four-step process

1

Determine core weights

2

Identify appropriate satellite managers

3

Determine satellite weights

4

Monitor portfolio

An investment process that seeks superior outcomes

Determine core weights

Equity style	Morningstar category	Average rolling 3-year Morningstar percentile rank over 20-year period ending 12/31/2021	Quartile distribution of 3-year rolling Morningstar rank over 20-year period ending 12/31/2021				
			% in first quartile	% in second quartile	% in third quartile	% in fourth quartile	% in top half
Russell 1000 Value®	Large Value	38	36%	38%	25%	1%	74%
Russell 1000 Growth®	Large Growth	32	42%	39%	19%	0%	81%
Russell MidCap Value®	Mid Value	32	43%	39%	17%	0%	83%
Russell MidCap Growth®	Mid Growth	34	32%	59%	9%	0%	91%
Russell 2000 Value®	Small Value	45	14%	45%	36%	4%	59%
Russell 2000 Growth®	Small Growth	44	6%	65%	26%	3%	71%
MSCI EAFE Value	Foreign Large Value	53	9%	33%	48%	10%	42%

- This chart details Morningstar peer group ranks for the above listed indices.
- Incorporating the core component may improve peer group ranking.
- Intended to improve consistency of peer group ranking.

Stabilizing returns vs index

Past performance does not guarantee future results. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

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Identifying appropriate satellite managers

- Two or more managers at various weights
- Typically possess:

**WIDER RISK
CONSTRAINTS**

**MORE FOCUSED OR
CONCENTRATED
PORTFOLIOS**

HIGH ACTIVE SHARE

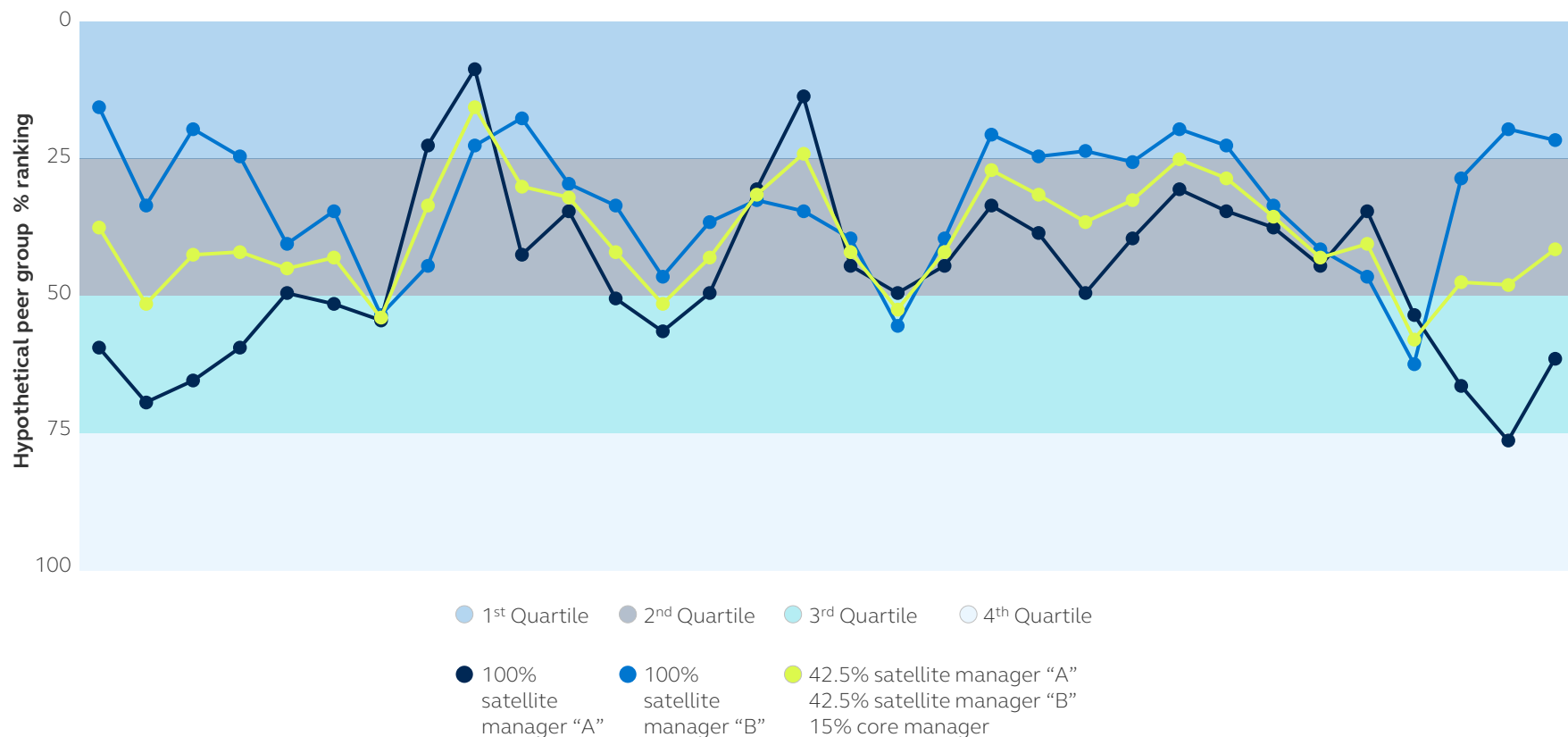
- Managers are complementary

**NOT ATTEMPTING
TO CREATE A
'BARBELL' STRATEGY**

**LOW CORRELATION
OF EXCESS RETURNS
TO EACH OTHER**

Provide the ability to achieve excess returns

Determine satellite weights

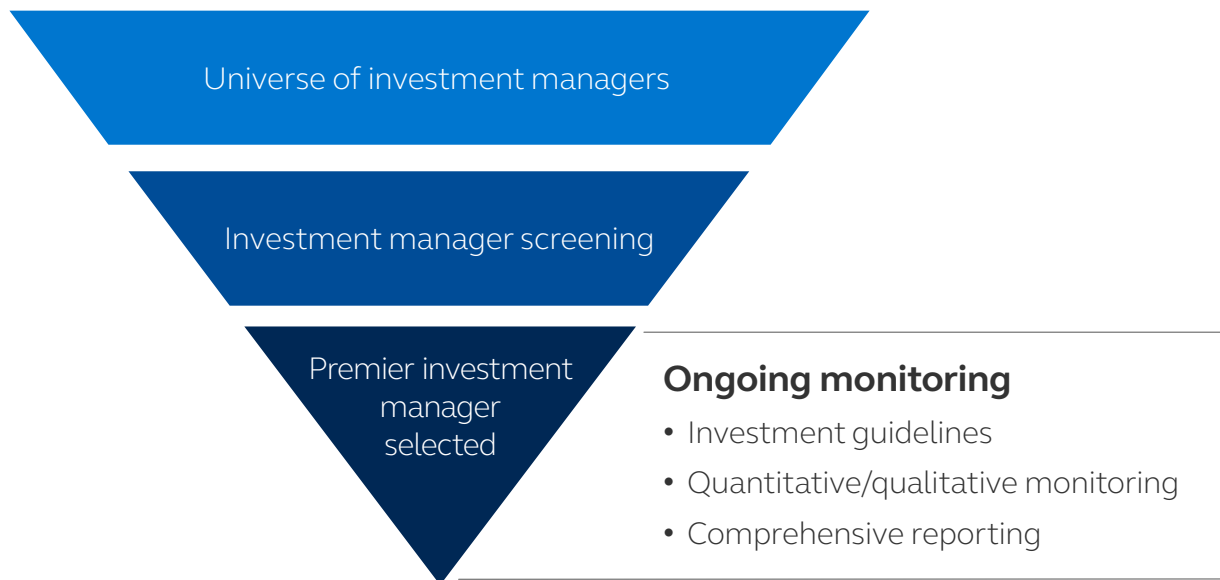


Conduct mean-variance optimization

For illustrative purposes only. Manager "A", manager "B", and the core manager depicted are hypothetical managers. The performance and peer group shown are hypothetical and are presented to illustrate the intended effect of implementing a core-satellite structure. Does not represent any investment strategy or reflect fees, taxes, or expenses.

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Monitor portfolio



A rigorous, disciplined framework for identifying, selecting, and monitoring premier investment management firms

What happens when an issue is detected in the monitoring process?



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

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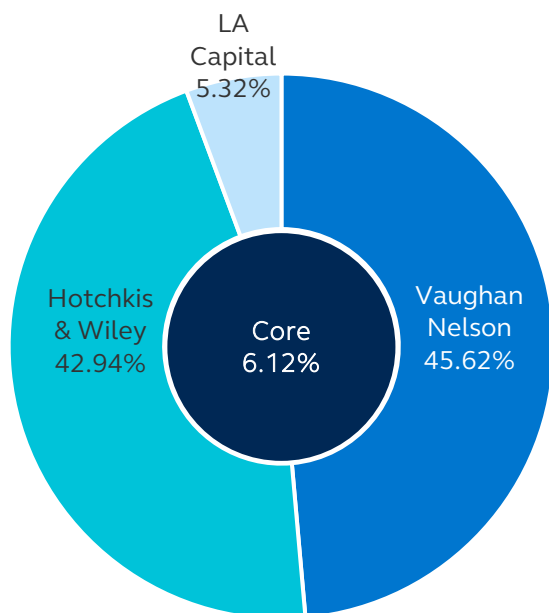
Potential benefits

- ✓ Seeks to provide more consistent return pattern relative to peer groups.
- ✓ Active share is monitored in efforts to maintain a truly active profile.
- ✓ Enables use of a broad range of alpha managers.
- ✓ Mitigates impact of adverse manager events (e.g., portfolio manager lift-out, firm sale).
- ✓ Subject to proven, proprietary due diligence process.

Portfolio positioning and performance

Portfolio positioning

PRINCIPAL SMALLCAP VALUE II FUND As of June 30, 2022



PORTFOLIO DESCRIPTION

This portfolio is positioned to be slightly larger and more blend-oriented than the benchmark Russell 2000® Value Index. It has the ability to do well in multiple market environments due to the diversity of managers used.

INVESTMENT MANAGERS



Allocations will change over time. Asset allocation and diversification do not ensure a profit or protect against a loss.

May not reflect current holdings or allocations. Percentages may not add up to 100% due to rounding.

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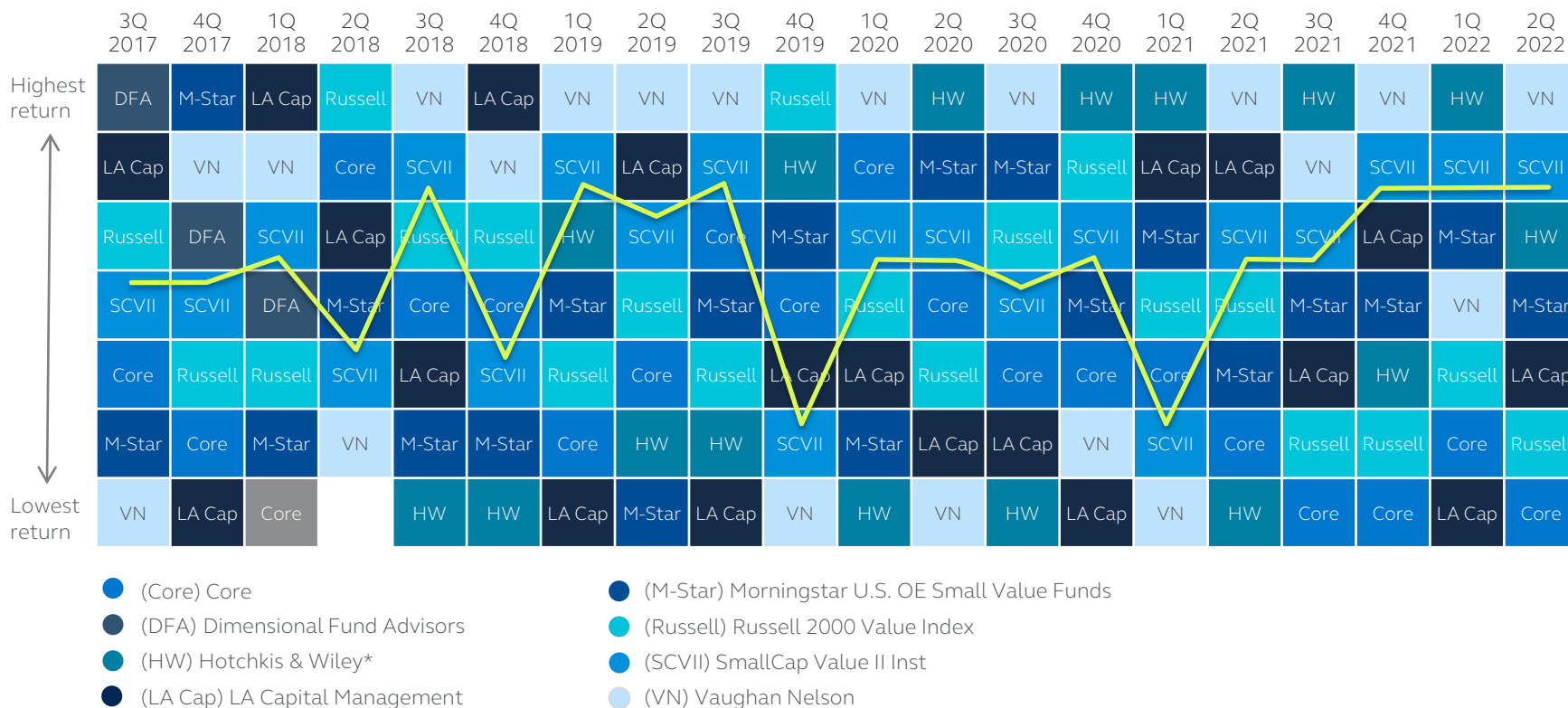
Portfolio comparison

PRINCIPAL SMALLCAP VALUE II FUND

Key attributes	Hotchkis & Wiley	Los Angeles Capital	Vaughan Nelson
Process summary	<ul style="list-style-type: none"> Bottom-up, fundamental research process focused on assessing the fundamental drivers of a company's long-term value—normal earnings power, asset valuation, sustainability of the business, strength of the balance sheet, and management's use of capital 	<ul style="list-style-type: none"> Uses robust quantitative research that identifies investor preferences for specific risk characteristics by analyzing multiple factors Calculates expected returns for a universe of securities based on a security's exposure and the model's expected return for each factor 	<ul style="list-style-type: none"> Targets companies that have a positive return on capital and strong balance sheets coupled with improving fundamentals Employs fundamental research. Focuses on company visits and discussions with management to understand how the company allocates capital
Number of holdings	350-400	80-125	45-85
Sector bands relative to index	The greater of 35% or 10% above the index	+/- 10%	Should not exceed 30% or 2x the sector weight of benchmark (whichever is greater)
Date added to fund	July 2018	May 2009	May 2009

Investment manager performance

PRINCIPAL SMALLCAP VALUE II FUND As of June 30, 2022



*Hotchkis & Wiley has replaced DFA as a subadvisor in the portfolio. Hotchkis & Wiley began managing assets in July 2018.

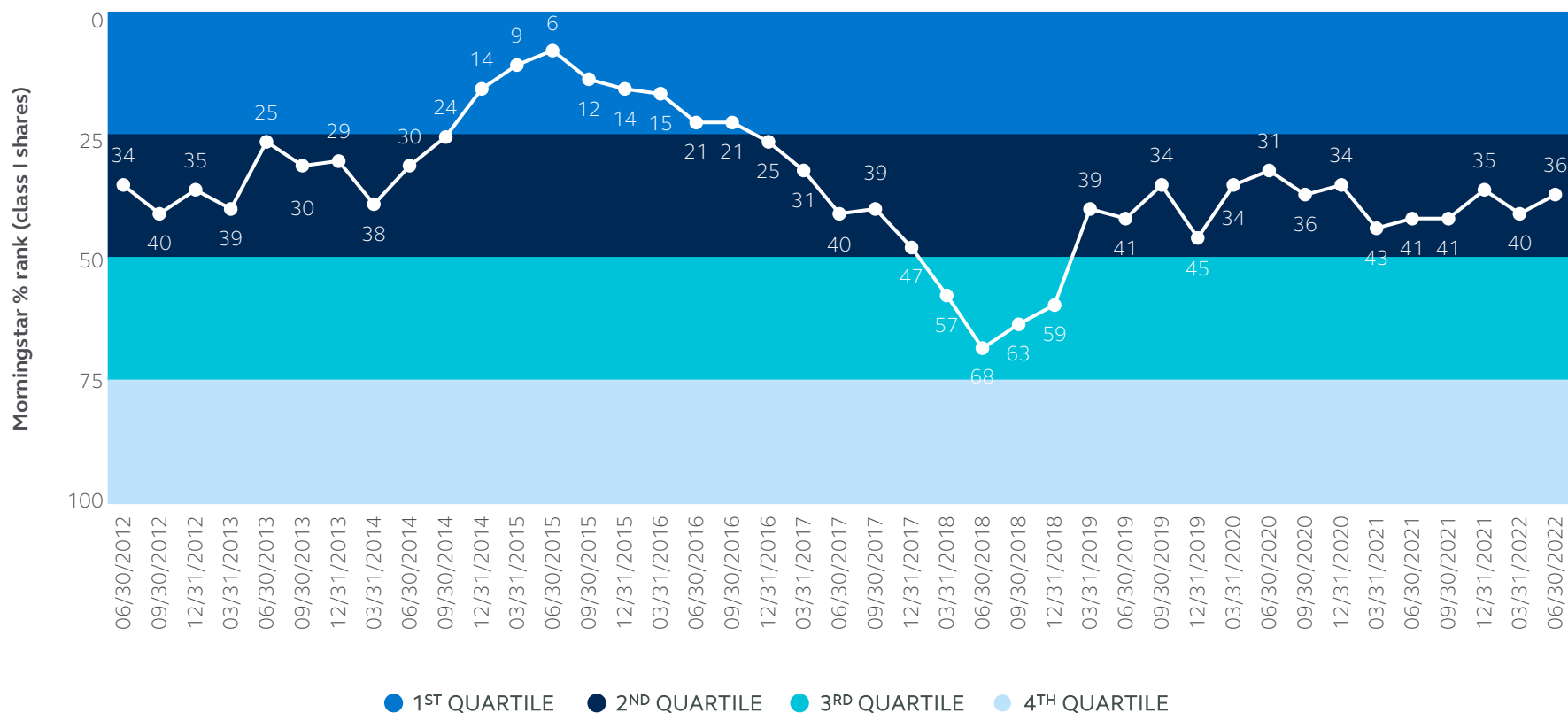
Source: Morningstar. Relative to overall fund performance. Past performance does not guarantee future results. In constructing the chart, sub-advisor performance and fund performance net of fees was used. The position of each block in a column shows only the relative performance of the various components for that year and does not imply that performance was positive. Indices are unmanaged and individuals cannot invest directly in an index.

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Quarterly percentile ranks

PRINCIPAL SMALLCAP VALUE II FUND As of June 30, 2022

Principal SmallCap Value II Fund (I shares) rolling 3-year Morningstar ranking



Source: Morningstar. Morningstar category – Small value. Morningstar percentile rankings are based on total returns.

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Portfolio results

PRINCIPAL SMALLCAP VALUE II FUND As of June 30, 2022

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception (06/01/2004)	Expense ratio (net/gross)	Contractual cap/waiver expire date
Class I ^{1,14,19}	-12.08	-13.64	-8.86	8.11	6.20	10.05	7.78	0.96/1.07	02/28/2023
Russell 2000 Value Index	-15.28	-17.31	-16.28	6.18	4.89	9.05	-	-	-
Morningstar rankings									
Total funds in category: Small value	480	478	466	439	412	314	-	-	-
Class I percentile rankings	-	-	22	36	28	26	-	-	-

Calendar year returns (%)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class I	32.34	3.62	23.19	-14.39	6.92	25.28	-4.01	6.07	39.20	17.70
Russell 2000 Value Index	28.27	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22	34.52	18.05
Excess return	4.07	-1.01	0.80	-1.53	-0.92	-6.46	3.46	1.85	4.68	-0.35
Morningstar rankings										
Total funds in category: Small value	446	416	419	417	397	405	433	396	369	357
Class I percentile rankings	43	46	30	40	69	57	28	22	28	32

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 most recent month-end performance, visit www.principalfunds.com, contact your representative of the Principal Financial Group® (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, 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.

Please see important information in the appendix for more information.

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Appendix

Biographies

JAMES FENNESSEY is a Portfolio Manager within Principal Global Asset Allocation (PGAA), a specialized investment boutique within Principal Global Investors that engages in the creation of asset allocation solutions. He joined the Principal Financial Group in 2000. He has been a portfolio manager for the Principal LifeTime target date portfolios since 2007 and the Principal LifeTime Hybrid Target Date Funds since their inception in 2009. He serves as a Portfolio Manager on the multi-managed core/satellite funds and is also responsible for New Mexico 529 Plan. James graduated from Truman State University with a B.S. in Business Administration, with an emphasis in Finance and a minor in Economics. He has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.

JASON HARVEY is an Analyst for Principal Global Asset Allocation (PGAA), a specialized investment boutique within Principal Global Investors that engages in asset allocation solutions. Within PGAA, he is involved with asset class and market research, glide path and portfolio modeling, risk and analytics and portfolio trading associated with the strategies run by the Strategic Asset Allocation Team, which includes Lifetime Portfolios, Core-Satellite, and 529 Plans. Jason joined the firm in 2011. Prior to his current role, he was a Quantitative Specialist for Principal International. Jason graduated from Central College in Pella, Iowa with a B.A. in Business Management, with an emphasis in Finance and a minor in Accounting. He has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.

JOSH MYERS is an Analyst for Principal Global Asset Allocation (PGAA), a specialized investment boutique within Principal Global Investors that engages in asset allocation solutions. Within PGAA, he is involved with asset class and market research, glide path and portfolio modeling, risk and analytics and portfolio trading associated with the strategies run by the Strategic Asset Allocation Team, which includes Lifetime Portfolios, Core-Satellite, and 529 Plans. Josh joined the firm in 2018. Josh earned his B.S.B.A. in Finance and Economics from Drake University. He has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.

CHAD SEVERIN is a Portfolio Manager for Principal Global Asset Allocation (PGAA), a specialized investment boutique within Principal Global Investors that engages in the creation of asset allocation solutions. Within PGAA, he is involved with asset class and market research, glide path and portfolio construction/modeling, portfolio risk and analytics, and trading associated with the strategies run by the Strategic Asset Allocation Team, which includes Lifetime Portfolios, Core-Satellite, and 529 Plans. Chad joined the firm in 2003. Prior to his current role, Chad served as an analyst for the Strategic Asset Allocation Team, as well as a manager of equity performance and analytics at Principal Global Investors. He received a bachelor's degree in accounting from Simpson College.

RANDY WELCH is Managing Director, Portfolio Manager at Principal Global Asset Allocation (PGAA), a specialized investment boutique within Principal Global Investors that engages in the creation of asset allocation solutions. He is responsible for overseeing the Strategic Asset Allocation team. He has been a portfolio manager for the Principal LifeTime Target Date portfolios since 2007 and the Principal LifeTime Hybrid Target Date Funds since their inception in 2009. He serves as a Portfolio Manager on the multi-managed core/satellite funds and is also responsible for the New Mexico 529 Plan. Randy joined Principal in 1989 and has been in the investment industry since 1985. Randy received an M.B.A. from Drake University and a bachelor's degree from Grand View College. Randy is an affiliate member of the Chartered Financial Analysts (CFA) Institute.

Sub-advisors for SmallCap Value II portfolio



Hotchkis & Wiley was founded in 1980, is based in Los Angeles, California, and is a privately held firm — the majority of employees own an equity stake in the firm. The Firm employs an active, team-based investment approach driven by fundamental research and bottom-up security selection.

PHILOSOPHY

Hotchkis & Wiley seeks capital appreciation using a disciplined, value-oriented investment process. Through a consistent process and independent research, the portfolio owns small cap companies that the team believes are undervalued relative to their tangible assets, have sustainable cash flow, and potential for improving business performance. The strategy is well diversified and seeks to own small U.S. based companies that offer the best combination of value and potential for price appreciation.

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

PROCESS

Hotchkis employs a bottom-up, fundamental research process, as the risks for small cap companies are more stock-specific rather than macro-specific. With industry knowledge as their foundation, the research analysts focus on assessing the fundamental drivers of a company's long-term value—normal earnings power, asset valuation, sustainability of the business, strength of the balance sheet, and management's use of capital.

The process begins with a proprietary model to narrow the broad small cap universe to a more attractive subset for the analysts to review. Next, the analysts conduct a fundamental review of the narrowed universe. After the fundamental analysis, the companies still in contention are ranked based on risk-adjusted valuation rankings (Adjusted Enterprise Value/Normal EBIT). Then, securities are added to the portfolio based on the team's assessment of the underlying risk/return profile in conjunction with the security's complementary nature with the existing portfolio.

Sub-advisors for SmallCap Value II portfolio



LA Capital Management (LA Capital) is an employee-owned firm that utilizes a quantitative approach for security selection and portfolio management. Portfolios are tailored to meet the unique return and risk objectives of each assignment. The investment team developed the investment process at Wilshire Asset Management, where they worked together for sixteen years beginning in 1986. In March 2002, the team purchased the business from Wilshire Associates to set up an independent investment boutique.

PHILOSOPHY

LA Capital believes that investor preferences for specific risk characteristics evolve with changing market conditions.

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

PROCESS

The firm's investment process includes a robust research process that seeks to identify investor preferences for specific risk characteristics by analyzing valuation, income statement, balance sheet, industry, and market-related factors.

The firm's Dynamic Alpha Stock Selection Model then calculates expected returns for a universe of mid-capitalization securities based on a security's exposure and the model's expected return for each factor. On a daily basis, the model is updated to capture new fundamental data as well as price and dividend information.

On a weekly basis, the investment team identifies the target portfolio that maximizes the portfolio's expected return while maintaining a risk profile similar to the Russell 2000 Value Index. The portfolio is diversified across industries, common risk factors, and securities. Portfolio risks and implementation costs are tightly controlled and minimized through a proprietary optimization process. The investment team monitors portfolio returns and risks on a daily basis. The firm's Portfolio Review Committee formally reviews the portfolio for compliance with investment objectives and guidelines on a monthly basis.

Sub-advisors for SmallCap Value II portfolio



Vaughan Nelson Investment Management, L.P. (Vaughan Nelson) is a Houston-based investment counseling firm staffed by experienced, research-oriented investment professionals. Founded in 1970, the firm's sole investment focus is managing equity and fixed-income portfolios. Current clients include foundations, university endowments, public funds, corporate pension funds, and individuals. The firm's growth reflects strong client relationships based on solid performance, effective communication, and the highest level of client service.

Vaughan Nelson is one of the investment management affiliates operating within the Natixis Global Asset Management, L.P., umbrella. The firm operates independently with its proprietary research process and investment team. The general partner and all of the limited partnership units of the firm are 100% owned by Natixis Global Asset Management, L.P., based in Boston, Massachusetts.

PHILOSOPHY

Vaughan Nelson's small-cap value philosophy is to look for temporary information and liquidity inefficiencies in the small-cap value universe, therefore providing opportunities to invest in companies at valuations materially below their long-term intrinsic value. The firm uses a disciplined valuation methodology combined with fundamental research to take advantage of the inefficiencies inherent in the small-cap value universe.

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

PROCESS

Vaughan Nelson's investment process targets companies that have a positive return on capital and strong balance sheets coupled with improving fundamentals. The firm likes to buy when these companies are caught in a liquidity squeeze, driven by either shareholder or market inefficiency.

Vaughan Nelson focuses on trading time for value by sacrificing near-term stock price performance for greater absolute returns over a longer period. Consequently, company visits and discussions with management focus on understanding how the company allocates capital internally to gain a better understanding of its future earnings potential. The small-cap value team interviews management teams and reviews publicly available financial information in order to determine the intrinsic value of companies within the small-cap universe. Several hundred companies are reviewed on an annual basis in order to construct a universe of attractive business models that would be suitable for investment.

Glossary of terms

Category average return - Morningstar takes the average return of the funds that exist in a category for the time period and divide by the number of funds that exist for that time period. For calendar year category average returns, Morningstar includes funds that have merged, liquidated, or changed categories when calculating category averages.

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.

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

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

Investment manager (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.

Morningstar category - The Morningstar Category identifies investment options based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years).

Percentile rankings - Each investment's total returns are compared to other investments in the same Morningstar category for various time periods. Total returns are ranked on a scale from one to 100 where one represents the highest-returning 1% of investments and 100 represents the lowest returning investments.

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.

Important information

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

Investing involves risk, including possible loss of principal.

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

¹ Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.

¹⁴ Small-cap and mid-cap stocks may have additional risks, including greater price volatility.

¹⁹ The manager of the Fund, Principal Global Investors, invests between 10% and 40% of the Fund's assets in common stocks in an attempt to match or exceed the performance of the Fund's benchmark index for performance.

Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.

Principal Global Asset Allocation is involved in the creation of asset allocation solutions and is responsible for the initial selection and ongoing monitoring of affiliated and unaffiliated investment managers. Principal Global Asset Allocation is a specialized investment management group within Principal Global Investors, the investment advisor to Principal Funds.

Insurance products and plan administrative services provided through Principal Life Insurance Co. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 800-547-7754, member SIPC and/or independent broker/dealers. Principal Life, Principal Funds Distributor, Inc. and Principal Securities are members of the Principal Financial Group®, Des Moines, IA 50392. Certain investment options and contract riders may not be available in all states or U.S. commonwealths. Principal Global Investors is a member of the Principal Financial Group®.

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

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Morningstar percentile rankings are based on total returns. Morningstar ratings are based on risk-adjusted returns.

INDEX DESCRIPTION:

Russell 2000® Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000® Index having lower price-to-book ratios and lower forecasted growth values.

Important information

A mutual fund's share price and investment return will vary with market conditions, and the principal value of an investment when you sell your shares may be more or less than the original cost.

Class I shares are available only to eligible investors, including various institutional investors and investors in certain mutual fund wrap or asset allocation programs. See the prospectus for eligibility requirements.

Morningstar percentile rankings are based on total returns and do not reflect the inclusion of sales charges. If sales charges were reflected, rankings could be lower.

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.

This report includes investment options that contain information from a variety of sources. A primary source is Morningstar which provides holdings information, operations data, and rankings or statistics proprietary to Morningstar. Morningstar is generally the source of information on mutual funds unaffiliated with Principal.

Principal Global Investors leads global asset management at Principal® and includes the asset management operations of the following members of Principal®: Principal Global Investors, LLC; Principal Real Estate Investors, LLC; Principal Real Estate Europe Limited and its affiliates; Spectrum Asset Management, Inc.; Post Advisory Group, LLC; Origin Asset Management, LLP; Claritas Investimentos; Principal Global Investors (Europe) Limited; Principal Global Investors (Singapore) Ltd.; Principal Global Investors (Australia) Ltd.; Principal Global Investors (Japan) Ltd.; Principal Global Investors (Hong Kong) Ltd., and include assets where we provide model portfolios. Marketing assets under management include certain assets that are managed by Principal International and Retirement and Income Solutions (RIS) divisions of Principal.

All figures shown in this document are in U.S. dollars unless otherwise noted. All assets under management figures shown in this document are gross figures, before fees, transaction costs and other expenses and may include leverage, unless otherwise noted. Assets under management may include model-only assets managed by the firm, where the firm has no control as to whether investment recommendations are accepted, or the firm does not have trading authority over the assets.

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