Principal®

Principal LifeTime Hybrid CITs

An investment strategy that adjusts over time.

When you plan to retire may guide your investment strategy.

Are you planning to retire in 10 years? 20? 30? Well, no matter where you are in your career, it might make sense to manage your investments according to how long you have until retirement.[1]

A Principal LifeTime Hybrid Collective Investment Trust (CIT) is an investment portfolio that may help you do just that. For example, if you're planning to retire in 30 years, a more aggressive investment approach may be best since you generally have time to ride out market highs and lows. But as you get closer to retirement, you may want to shift your investments to more conservative options.

How a Principal LifeTime Hybrid CIT works

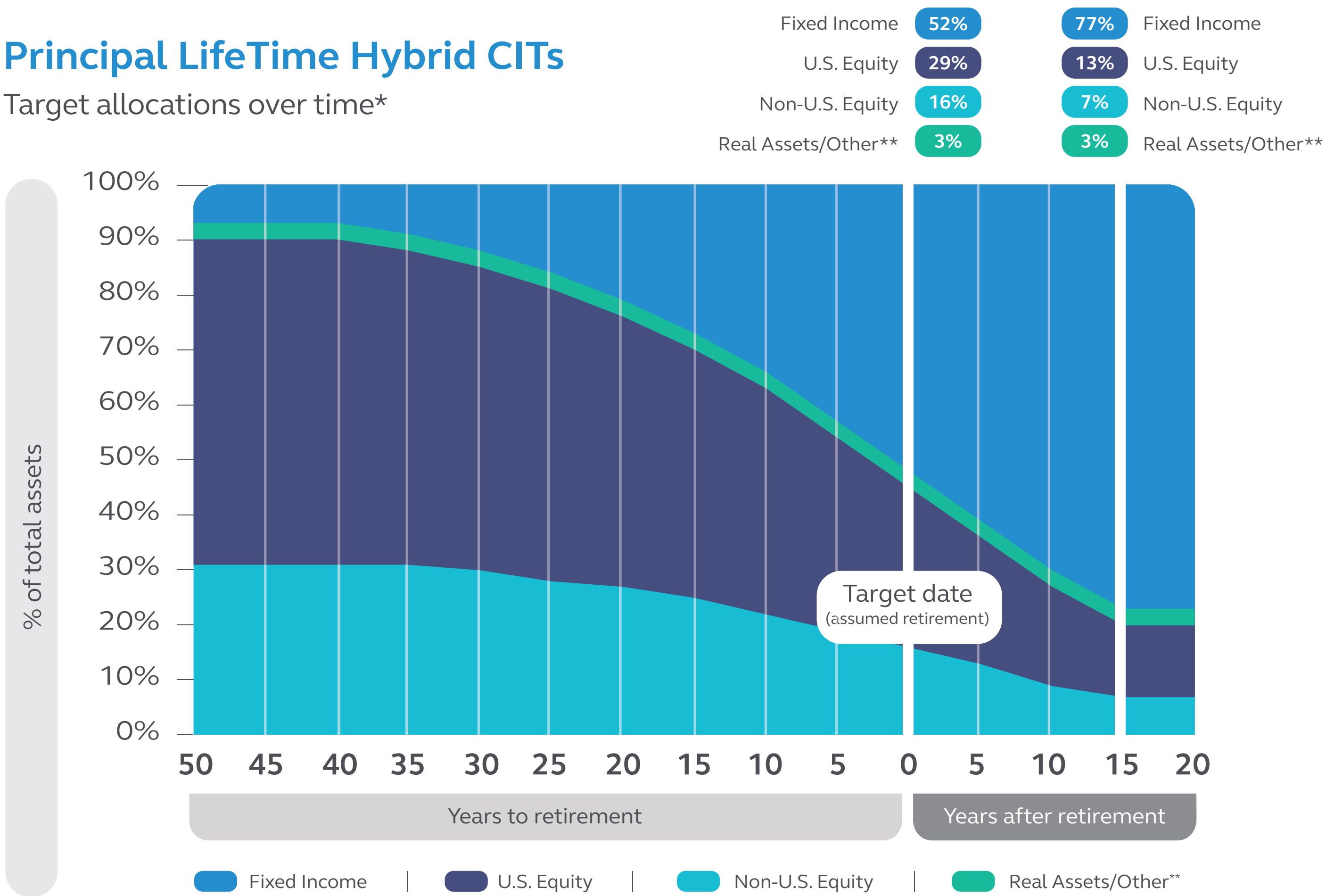
Principal LifeTime Hybrid CITs use what we call a "glide path" approach to managing retirement savings. It's basically a representation that shows how the portfolio could become more conservative over time.

You can see by the example on the next page that when you're further away from retirement, portfolio managers tend to invest in typically more aggressive options, like stocks (equity). And as you get closer, they shift to typically more conservative options, like bonds (fixed income).

[1]For all Principal LifeTime Hybrid CITs, normal retirement age is assumed to be 65 years of age.

Principal LifeTime Hybrid CITs

Target allocations over time*



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

Neither the principal nor the underlying assets of the Principal LifeTime investment options are guaranteed at any time, including the target date. Investment risk remains at all times. Allocations based on current targets as of October 2017. They may change over time.

*As of October 31, 2017.

**Shareholders receive exposure to real assets and alternative investment strategies through certain underlying funds.

When we create each glide path, we take four key risk factors into account:

- **Capital/market** — Potential for loss
- **Inflation** — Possibility of losing purchasing power over time
- **Longevity** — Likelihood of outliving your savings
- **Shortfall** — Risk of not saving enough before retirement

As risk factors change,
so do the asset allocations.
It's that simple.

An approach at every stage

What's appropriate for an investor at age 65 may not make sense at age 85. That's why we study investor needs through retirement and make changes up to 15 years after the target date for retirement.

How could asset allocation change?

Each Principal LifeTime Hybrid CIT is broken into four asset categories: Fixed Income, Real Assets/Other, U.S. Equity and Non-U.S. Equity.

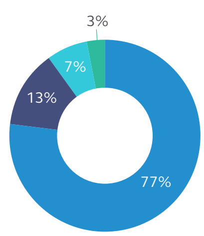
How much is invested in each category adjusts as you approach the target date, which could be your retirement date. You may also choose a portfolio with a target date that does not match your intended retirement date. Compare the different portfolios to see how the asset allocation might shift:

Fixed Income

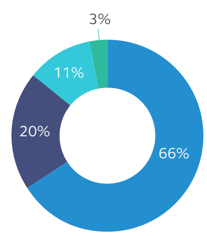
U.S. Equity

Non-U.S. Equity

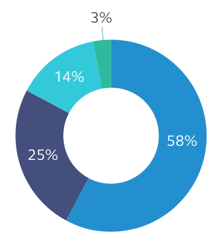
Real Assets/Other



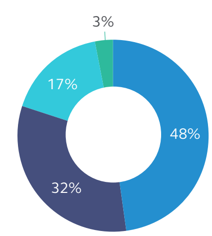
Principal LifeTime Hybrid CIT Income
Participants may wish to consider this option if they're approximately 15 years beyond normal retirement age.



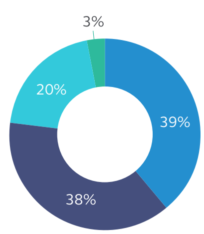
Principal LifeTime Hybrid CIT 2010
Participants may wish to consider this option if they're less than 15 years beyond normal retirement age.



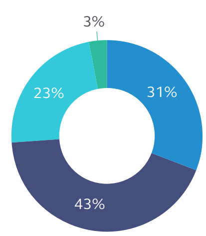
Principal LifeTime Hybrid CIT 2015
Participants may wish to consider this option if they retired between 2013 and 2017.



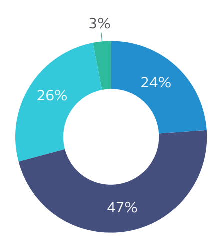
Principal LifeTime Hybrid CIT 2020
Participants may wish to consider this option if retiring between now and 2022.



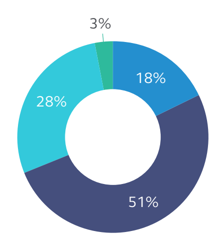
Principal LifeTime Hybrid CIT 2025
Participants may wish to consider this option if retiring between 2023 and 2027.



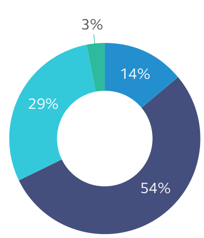
Principal LifeTime Hybrid CIT 2030
Participants may wish to consider this option if retiring between 2028 and 2032.



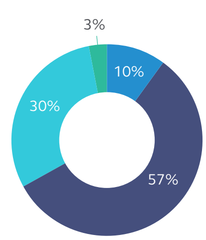
Principal LifeTime Hybrid CIT 2035
Participants may wish to consider this option if retiring between 2033 and 2037.



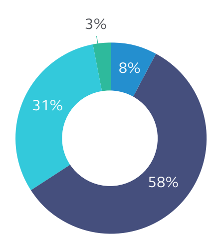
Principal LifeTime Hybrid CIT 2040
Participants may wish to consider this option if retiring between 2038 and 2042.



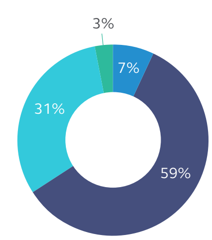
Principal LifeTime Hybrid CIT 2045
Participants may wish to consider this option if retiring between 2043 and 2047.



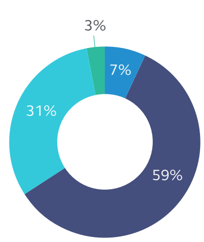
Principal LifeTime Hybrid CIT 2050
Participants may wish to consider this option if retiring between 2048 and 2052.



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



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



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

Allocations are based on current targets as of October 31, 2017. They will change over time. Additional target date funds may be added to the Principal LifeTime Hybrid CITs series to accommodate plan participants with later normal retirement dates as they enter the workforce. For all portfolios in the series, the retirement age is assumed to be 65.

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

Multiple sub-advisors or underlying asset classes

About Target Date Funds

Principal LifeTime Hybrid CITs may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime Hybrid CIT approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime Hybrid CIT is regularly readjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.

This document is intended to be educational in nature and is not intended to be taken as a recommendation. This material was prepared for general distribution and is not directed to a specific individual.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investments are subject to interest rate risk; as interest rates rise, their value will decline.

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

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. These risks are magnified in emerging markets

Investing involves risk, including possible loss of principal.

Asset allocation and diversification do not ensure a profit or protect against a loss. Additionally, there is no guarantee that a target date investment will provide adequate income at or through retirement.

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

The CITs are not mutual funds and are not registered with the Securities and Exchange Commission, the State of Oregon, or any other regulatory body. Units of the CITs are not deposits or obligations of, guaranteed by or insured by the Trust Company or any affiliate, and are not insured by the FDIC or any other federal or state government agency. The value of the CITs will fluctuate so that when redeemed, units may be worth more or less than the original cost. The declaration of trust, participation agreement, and disclosure documents contain important information about investment objectives, risks, fees and expenses associated with investment in the CITs and should be read carefully before investing. The declaration of trust is available at principal.com. A copy of the participation agreement can be obtained from your plan administrator.

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