



**LOUISIANA LOTTERY CORPORATION**  
**BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE PLAN YEAR ENDED DECEMBER 31, 2020**

**LOUISIANA LOTTERY CORPORATION**  
**BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE PLAN YEAR ENDED DECEMBER 31, 2020**

**PREPARED BY ACCOUNTING DEPARTMENT**  
**KAREN B. FOURNET**  
**SENIOR VICE PRESIDENT**  
**SECRETARY TREASURER**

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
LETTER OF TRANSMITTAL .....	1
ORGANIZATIONAL CHART .....	5
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING .....	6
 <b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT .....	7
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	10
<b>BASIC FINANCIAL STATEMENTS</b>	
STATEMENT OF NET POSITION AVAILABLE FOR BENEFITS .....	16
STATEMENT OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS .....	17
NOTES TO THE FINANCIAL STATEMENTS .....	18
<b>SUPPLEMENTAL INFORMATION SCHEDULES</b>	
<b>SCHEDULES OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS, BY INVESTMENT</b>	
<b>OPTION</b>	
<b>SCHEDULE 1 - 401(a) BASIC PLAN FOR THE YEAR ENDED</b>	
DECEMBER 31, 2020 .....	26
<b>SCHEDULE 2 - 401(a) SUPPLEMENTAL PLAN FOR THE YEAR ENDED</b>	
DECEMBER 31, 2020 .....	27
<b>SCHEDULE 3 - 457(b) PLAN FOR THE YEAR ENDED</b>	
DECEMBER 31, 2020 .....	28
 <b>INVESTMENT SECTION</b>	
INTRODUCTION .....	29
INVESTMENT POLICY APPROVED INVESTMENT OPTIONS .....	30
INVESTMENT STYLES .....	31
ASSET ALLOCATION .....	32
FAIR VALUE AND PERCENT OF TOTAL FAIR VALUE FOR EACH INVESTMENT .....	33

INVESTMENT PERFORMANCE .....	34
FUND FACT SHEETS .....	35

## **STATISTICAL SECTION**

HISTORICAL STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS AND PLAN INVESTMENT RETURNS - BASIC PLAN.....	97
HISTORICAL STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS AND PLAN INVESTMENT RETURNS - SUPPLEMENTAL PLAN.....	98
HISTORICAL STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS AND PLAN INVESTMENT RETURNS – 457(b) PLAN .....	99
FINANCIAL TREND INFORMATION .....	100
OPERATING INFORMATION - PARTICIPATION AND DEFERRAL TRENDS.....	101

<b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....</b>	<b>102</b>
--	------------



June 22, 2021

Board of Directors, Louisiana Lottery Corporation  
Rose J. Hudson, President, Louisiana Lottery Corporation

## **Introduction**

The Louisiana Lottery Corporation (the Corporation) is pleased to submit its Comprehensive Annual Financial Report for the Basic, Supplemental, and 457(b) retirement plans for the plan year ended December 31, 2020. Lottery management is responsible for the accuracy and completeness of all data and disclosures in this report. To the best of our knowledge, the information presented is accurate and complete in all material respects and fairly depicts the financial activities and position of these plans.

This report is organized into five sections. The introductory section includes this letter of transmittal and an organizational chart. The financial section includes the independent auditor's report, management's discussion and analysis, and the audited financial statements with accompanying notes. The investment section contains information about the funds available for investment by plan participants. Historical and demographic data are presented in the statistical section of this report. A report on compliance and internal control is included in the last section.

## **Government Finance Officers Association Certificate of Achievement**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (see page 6) to the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans for its comprehensive annual financial report for the year ended December 31, 2019. This was the thirteenth consecutive year that the Corporation has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **The Retirement Plans**

The Corporation sponsors three defined contribution retirement plans as part of its employee benefits program. These plans are governmental plans established pursuant to the Louisiana Lottery Corporation Law in Louisiana Revised Statute 47:9015(A). The Basic and Supplemental Retirement Plans are both qualified plans under Section 401(a) of the Internal Revenue Code (IRC). The 457(b) Retirement Plan is a voluntary deferred compensation plan adopted under the provisions of IRC Section 457(b).

Lottery employees do not participate in any State of Louisiana retirement plans, except for one employee grandfathered into the state plan. All part-time and full-time employees are automatically enrolled in the Basic Retirement Plan. Only full-time employees participate in the Supplemental Retirement Plan. Full-time employees may elect to participate in the 457(b) Retirement Plan.

The Basic Retirement Plan serves as a replacement for participation in the Social Security system. Because of its governmental entity status, the Corporation was allowed to opt out of Social Security in 1993. Employee and employer contributions, 6.2% and 5%, respectively, are deposited into individual participants' accounts in lieu of transfer to the Social Security Administration. Income in retirement is funded through the balance in a participant's account which consists of accumulated contributions and investment earnings.

Supplemental Plan defined contributions consist of a 4.5% set percentage of compensation deposit each pay period and a potential 4% discretionary contribution at the end of the Corporation's fiscal year.

Participants of the 457(b) Retirement Plan may elect to defer compensation as deposits into their accounts up to IRC limits. The Corporation matches the first 2.5% and 50% of the next 3% of participants' compensation deferrals.

Detailed provisions of each plan are included in the notes to the financial statements beginning on page 18. Financial results for the plans are discussed in management's discussion and analysis beginning on page 10 and the remainder of the financial section. Historical financial results and demographic information are presented in the statistical section beginning on page 97.

## **Administration and Investments**

Principal Life Insurance Company (PLIC), a member of the Principal Financial Group of Des Moines, Iowa, provides administrative and investment services for the plans. The administration and recordkeeping of participant information, account balances,

investment earnings, distributions, investment transfers, contribution deposits, and participant enrollment and education are conducted through PLIC's system and service team. PLIC selects and monitors investment managers for its sub-advised investment offerings made available through separate accounts and trusts. Several mutual funds are also available through PLIC for participant investment. Information about all of the separate accounts, trusts, mutual funds, and investment managers is included in the investment section of this report beginning on page 29.

The Corporation's Human Resources and Finance departments are responsible for the administration of the plans with oversight by the Retirement Plans Committee. The Investment Committee serves as the plans' fiduciaries in the selection and monitoring of investment options. Oversight, management, and responsibilities for the plans are presented in the organizational chart on page 5.

An investment policy governs the suitability of investment options available to participants. Assets are safeguarded through the use of separate accounts and trusts. In addition, due diligence reviews are performed quarterly to assess investment manager qualitative processes and quantitative performance. Overall average 2020 investment returns for all funds in the three plans combined were a gain of 14.63%.

### **Internal Control Framework**

Management is responsible for the design and operation of the control environment surrounding the administration and financial reporting of the plans. An effective control system of policies and procedures operating as intended prevents or detects errors or misstatements. Inherently, most controls cannot provide complete effectiveness and the cost of operating the controls should not exceed the anticipated benefits. However, the internal control structure for the plans should provide reasonable assurance that corporate objectives will be achieved in the following categories:

- Reliability of financial reporting
- Safeguarding the plans' assets
- Compliance with applicable laws and regulations

Management has assigned responsibilities and designed processes in an attempt to prevent potential conflicts of interest or unilateral control of critical functions. The Corporation has segregated duties in several key areas including the following:

- Human resources and payroll processing
- Participant enrollment and review
- Cash management and bank account reconciliations
- Contribution calculations and review
- Contribution deposits submission and reconciliation

Operational procedures have also been established for administration of the plans including the following:

- Monitoring laws and regulations affecting the plans with PLIC and outside counsel
- Monitoring investment performance and management through PLIC's due diligence program and other outside sources
- Reporting of employee termination information to PLIC
- Reconciling payroll contributions and the Corporation's general ledger to PLIC employer statements
- Annual preparation of the plans' financial statements and all related reconciliations

Employee compliance with these standards is constantly monitored and evaluated.

### **Independent Audit**

The Louisiana Legislative Auditor performs an annual audit of the plans' financial statements. The audits are conducted in accordance with generally accepted auditing standards and generally accepted government auditing standards. The independent auditor's opinion on the plans' financial statements for the year ended December 31, 2020, is included in the financial section of this report.

### **Acknowledgements**

The Accounting Department staff prepared each section of the Comprehensive Annual Financial Report. Their efforts have greatly contributed to the success of this informative document. In addition, we appreciate the efforts of the Legislative Auditor's Office in providing assistance with technical requirements.

We are committed to providing thorough and relevant financial information to the users of our financial statements. Our preparation of this Comprehensive Annual Financial Report reflects this commitment. The additional presentations and disclosures required will assist readers in obtaining an understanding of the plans' provisions, investment options, and historical and current financial results.

Respectfully submitted,

LOUISIANA LOTTERY CORPORATION



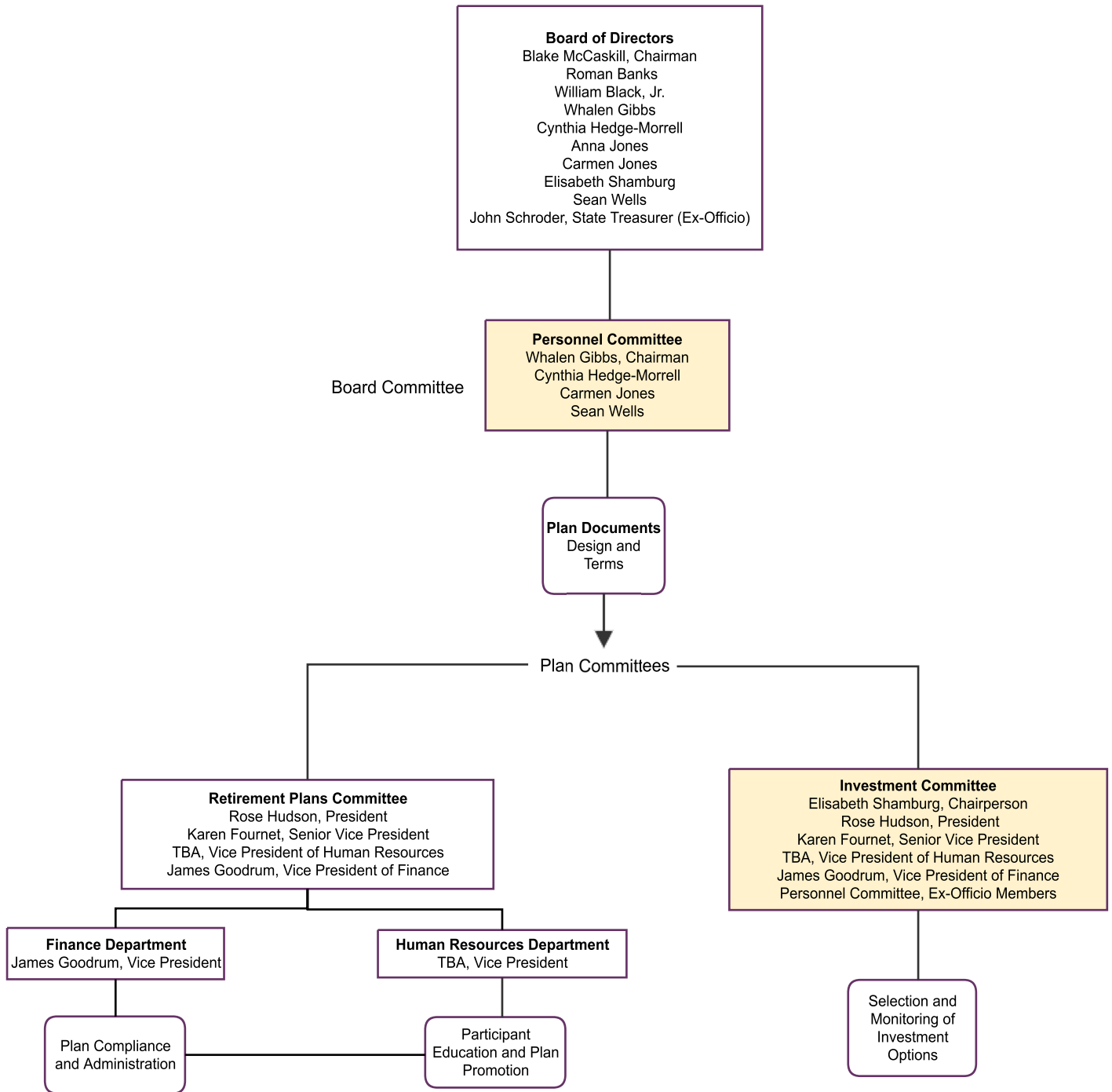
James F. Goodrum  
Vice President of Finance and Controller



Karen B. Fournet  
Senior Vice President and Secretary Treasurer



# Louisiana Lottery Corporation Structure of Oversight of Retirement Plans





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Louisiana Lottery Corporation  
Basic, Supplemental, & 457(b)  
Retirement Plans**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

**FINANCIAL SECTION**





LOUISIANA LEGISLATIVE AUDITOR  
MICHAEL J. "MIKE" WAGUESPACK, CPA

June 22, 2021

## Independent Auditor's Report

### **LOUISIANA LOTTERY CORPORATION BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS STATE OF LOUISIANA Baton Rouge, Louisiana**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements for the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans (the Plans) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plans as of December 31, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plans' basic financial statements. The accompanying supplementary information such as the Schedules of Changes in Net Position Available for Benefits by Investment Option and the other information, such as the introductory, investment, and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Changes in Net Position Available for Benefits by Investment Option are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has

been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Changes in Net Position Available for Benefits by Investment Option are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, investment section, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, on our consideration of the Plans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plans' internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish at the end.

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

DG:EM:RR:EFS:aa

LLCRP20







**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2020**

This discussion of the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans' financial statements provides an overview and analysis of the plans' financial position and activities for the year ended December 31, 2020. Please read it in conjunction with the plans' financial statements and notes to the financial statements.

Our annual report consists of two types of financial statements, supplementary information schedules, and accompanying notes that provide narrative explanations and additional details of the plans' provisions and activities. The statements, supplementary information schedules, and notes are presented using the accrual method of accounting. Under this method, financial transactions are recorded when earned or incurred regardless of when cash is received or disbursed.

The statement of net position available for benefits on page 16 includes all assets and liabilities of the plans. The balances reported are as of the year ended December 31, 2020. Assets consist of the fair value of units held for the benefit of participants under each investment fund and any earned contributions deposited after December 31, 2020. Fair value is based on deposit values and quoted market prices of the underlying investments. No liabilities exist because all expenses due from the plans are paid by the Corporation and all benefits due to participants were distributed as of the end of the year.

A summary of all financial activities that occurred during the twelve-month period ending December 31, 2020, is presented in the statement of changes in net position available for benefits on page 17. The categories of activities included on this statement provide reasons for increases or decreases in plan net position. Investment income includes all interest, dividends, and market value gains or losses earned by each investment fund during the year. Participant and employer contributions are the funds earned for each pay period during the year in accordance with the terms of the plans. Withdrawals paid to terminated or retired employees are included in the benefits paid to participants' category. A description of contribution and distribution requirements can be found in note 2 to the financial statements beginning on page 19.

The supplementary information schedules beginning on page 26 present the plans' activities and balances segregated by investment fund. Interfund transfers are participant-directed transfers of funds between investment accounts.

The notes to the financial statements that begin on page 18 present information on accounting policies, plan provisions, investments, income tax status determinations, risk management, termination and merger provisions, and litigation. These notes are an integral part of the financial statements.

A condensed financial data comparison between the current year ended December 31, 2020, and the year ended December 31, 2019, is presented below.

401(a) Basic Plan Plan Years Ended December 31 for the Years Shown		
	2020	2019
<b>Total Assets</b>	\$17,697,602	\$15,261,122
<b>Liabilities</b>	NONE	NONE
<b>Net position available for benefits</b>	<u>\$17,697,602</u>	<u>\$15,261,122</u>
<b>Additions:</b>		
Investment income	\$2,198,393	\$2,554,190
Contributions:		
Participant	357,079	357,563
Employer	<u>287,968</u>	<u>288,354</u>
<b>Total additions</b>	2,843,440	3,200,107
<b>Deductions:</b>		
Benefits paid to participants	(406,224)	(164,028)
Distribution service fees	<u>(736)</u>	<u>(650)</u>
<b>Total deductions</b>	(406,960)	(164,678)
<b>Increase in net position</b>	<u>\$2,436,480</u>	<u>\$3,035,429</u>

**401 (a)**  
**Supplemental Plan**  
**Plan Years Ended December 31 for the Years Shown**

	<b>2020</b>	<b>2019</b>
<b>Total Assets</b>	\$12,341,197	\$10,297,393
<b>Liabilities</b>	<u>NONE</u>	<u>NONE</u>
<b>Net position available for benefits</b>	<u>\$12,341,197</u>	<u>\$10,297,393</u>
<b>Additions:</b>		
Investment income	\$1,728,056	\$1,819,738
Contributions:		
Participant	29,429	
Employer	<u>490,437</u>	<u>486,326</u>
<b>Total additions</b>	2,247,922	2,306,064
<b>Deductions:</b>		
Benefits paid to participants	(203,704)	(124,330)
Distribution service fees	<u>(414)</u>	<u>(500)</u>
<b>Total deductions</b>	(204,118)	(124,830)
<b>Increase in net position</b>	<u>\$2,043,804</u>	<u>\$2,181,234</u>

**457(b) Plan**  
**Plan Years Ended December 31 for the Years Shown**

	<b>2020</b>	<b>2019</b>
<b>Total Assets</b>	\$14,124,391	\$11,730,797
<b>Liabilities</b>	<u>NONE</u>	<u>NONE</u>
<b>Net position available for benefits</b>	<u>\$14,124,391</u>	<u>\$11,730,797</u>
<b>Additions:</b>		
Investment income	\$2,031,640	\$2,036,026
Contributions:		
Participant	427,164	397,115
Employer	<u>204,068</u>	<u>196,556</u>
<b>Total additions</b>	2,662,872	2,629,697
<b>Deductions:</b>		
Benefits paid to participants	(268,778)	(247,721)
Distribution service fees	<u>(500)</u>	<u>(800)</u>
<b>Total deductions</b>	(269,278)	(248,521)
<b>Increase in net position</b>	<u>\$2,393,594</u>	<u>\$2,381,176</u>

The net position of the plans increased because the combination of contributions and investment income were more than benefits paid to participants. The reasons for the activity in each component outlined as follows provide the rationale for this overall change.

### **Investment income**

The investment return on the plans' portfolio was as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
<i>Basic Plan</i>	13.34%	18.58%
<i>Supplemental Plan</i>	15.27%	19.77%
<i>457(b) Plan</i>	15.72%	19.32%

The reasons for this investment performance include the asset allocation of the plans' investment portfolio, economic conditions, and the gains and losses of the individual investment funds offered through the plans.

The underlying portfolios of the investments in the plans contain a mix of stocks, bonds, and cash. Each of these types of investments has different risk and return characteristics. Typically, a riskier investment has greater upside and greater downside performance potential. Stocks tend to be more volatile and risky investments that perform according to economic and corporate growth and profitability cycles. Bonds are usually more conservative investments that provide a fixed stream of income and fluctuations in values dependent upon changes in market interest rates. Cash investments include short-term government and corporate securities that offer a stable and very liquid principal value with an interest component.

The specific asset allocation for each fund is included in the investment section beginning on page 29. This information indicates that the plans' investment performance is heavily dependent upon changes in the stock and bond markets. These financial markets tend to fluctuate with economic trends and conditions. The following chart provides economic indicators and financial market results for each year.

	<u>2020</u>	<u>2019</u>
<b><u>Economic Indicators:</u></b>		
<i>Gross Domestic Product (GDP)</i>	-2.4%	2.2%
<i>Federal Funds Rate</i>	0.1%	1.6%
<i>Unemployment Rate</i>	6.7%	3.6%
<i>Consumer Price Index (CPI)</i>	1.2%	2.0%
<b><u>Financial Markets:</u></b>		
<i>Standard and Poor's 500 Index (S&amp;P 500)</i>	18.4%	31.5%
<i>Russell 2000 Small Cap Index</i>	20.0%	25.5%
MSCI EAFE International Developed Markets Index	8.3%	22.7%
MSCI EME International Emerging Markets Index	18.7%	18.9%
<i>10-Year Treasury Note Yield</i>	0.9%	1.9%
Bloomberg Barclays U.S. Aggregate Bond Index	7.5%	8.7%

\*Source: J.P.Morgan Asset Management Guide to the Markets December 31, 2020 and 2019

The United States (U.S.) and global societies and economies were ravaged by the COVID-19 pandemic in 2020. Unemployment skyrocketed and GDP plummeted as domestic and international governments implemented stay-at-home orders and other mitigation measures in the second quarter of 2020. Essential businesses such as grocers, online shopping, and technology experienced significant increases in demand while travel, hospitality, and other industries came to a halt. Businesses of all sizes converted major portions of their workforces to remote-working environments.

The Federal Reserve slashed the federal funds rate to near zero and implemented other measures to support the financial markets. The U.S. Federal Government enacted several massive economic stimulus packages to limit the economic damage caused by the pandemic. The economy strengthened in the third and fourth quarters because of the reopening of some businesses and the impact of the federal stimulus packages. By the end of the 2020 calendar year the U.S. economy was beginning to experience improvements in GDP and the unemployment rate.

Domestic stock funds had substantial returns despite the economic turmoil. Many businesses were profitable because of the timely action by the Federal Reserve, the federal stimulus packages, and the sustainability of consumer demand for their products. International stock funds also had strong returns although not as impressive overall as the domestic market. In addition, stock market trends can tend to be forward looking. Several promising COVID-19 vaccines were in the final stages of approval by the end of the 2020 calendar year. The optimism for more improvement in containment of the virus and a better economic outlook probably had a positive effect on the stock markets.

Short-term fixed-income fund returns were very minimal because of the reduction of the federal funds rate to almost zero. The values of most intermediate fixed-income funds had above average gains in 2020 because of the drop in the 10-Year Treasury Note Yield to below 1%.

The investment performance of the individual funds offered through the plans was affected by the financial market environment. Investment income generated by each fund is listed on the supplementary schedules beginning on page 26. In addition, investment performance and benchmark comparisons are included in the investment section of this report beginning on page 29.

### **Contributions**

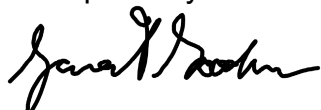
Contributions to the plans were consistent with the prior year amounts mainly because total eligible compensation was almost unchanged from 2019 to 2020. Contributions are calculated as a percentage of wages. Participant contributions to the 457(b) Plan slightly increased because average elective deferrals increased from 6.42% to 7.00%. The contribution provisions for the Plans are outlined in note 2 to the financial statements beginning on page 19. Historical compensation and deferral information is provided in the operating information in the statistical section of this report on page 101.

### **Benefits paid to participants**

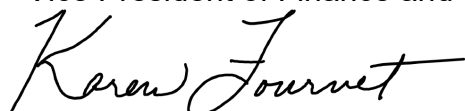
Benefits paid out in any given year are dependent upon the volume of employee terminations or retirements, the length of service of these employees, the balances maintained in their accounts, and the distribution elections that determine the timing of payments. Differences in these factors can cause substantial variances in a year-to-year comparison of plan distributions. The distribution provisions for the plans are included in note 2 to the financial statements beginning on page 19.

This financial overview of the Basic, Supplemental, and 457(b) Retirement Plans is provided as a supplemental analysis of the financial position and activities of the plans as of and for the year ended December 31, 2020. It is based on currently known facts and decisions and includes information about transactions, events, and conditions that are reflected in the financial statements and accompanying notes. The additional presentations and disclosures are included to assist the users of this report in understanding the financial results of these retirement plans.

Respectfully submitted,



James F. Goodrum  
Vice President of Finance and Controller



Karen B. Fournet  
Senior Vice President and Secretary Treasurer

**LOUISIANA LOTTERY CORPORATION**  
**BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS**  
**STATE OF LOUISIANA**

**Statement of Net Position Available for Benefits**  
**December 31, 2020**

	<b><u>401(a) Plans</u></b>		
	<b><u>Basic</u></b>	<b><u>Supplemental</u></b>	<b><u>457(b) Plan</u></b>
<b>ASSETS</b>			
Investments (note 3)			
Stable Value Fund		\$133,937	\$262,674
Separate Accounts		2,966,999	3,826,599
Collective Investment Trusts - Target Date Funds	\$17,687,412	8,797,132	9,246,475
Mutual Funds		439,100	778,881
Total Investments	<u>17,687,412</u>	<u>12,337,168</u>	<u>14,114,629</u>
Contributions receivable	<u>10,190</u>	<u>4,029</u>	<u>9,762</u>
<b>Total Assets</b>	<u><u>\$17,697,602</u></u>	<u><u>\$12,341,197</u></u>	<u><u>\$14,124,391</u></u>
<b>LIABILITIES</b>			
	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>NET POSITION AVAILABLE FOR BENEFITS</b>	<u><u>\$17,697,602</u></u>	<u><u>\$12,341,197</u></u>	<u><u>\$14,124,391</u></u>

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Statement of Changes in Net Position Available for Benefits  
For the Year Ended December 31, 2020**

	<b><u>401(a) Plans</u></b>		
	<b><u>Basic</u></b>	<b><u>Supplemental</u></b>	<b><u>457(b) Plan</u></b>
<b>ADDITIONS</b>			
Investment income	\$2,198,393	\$1,728,056	\$2,031,640
Contributions:			
Participant	357,079	29,429	427,164
Employer	287,968	490,437	204,068
Total additions	<u>2,843,440</u>	<u>2,247,922</u>	<u>2,662,872</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants	(406,224)	(203,704)	(268,778)
Distribution service fees	(736)	(414)	(500)
Total deductions	<u>(406,960)</u>	<u>(204,118)</u>	<u>(269,278)</u>
Net increase	2,436,480	2,043,804	2,393,594
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<u>15,261,122</u>	<u>10,297,393</u>	<u>11,730,797</u>
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	<u><u>\$17,697,602</u></u>	<u><u>\$12,341,197</u></u>	<u><u>\$14,124,391</u></u>

The accompanying notes are an integral part of this statement.



## **INTRODUCTION**

The Louisiana Lottery Corporation (Corporation) is authorized under Louisiana Revised Statute (R.S.) 47:9015(A) to provide or arrange for a retirement plan. The Corporation's Basic, Supplemental, and 457(b) Retirement Plans (the Plans) have been established pursuant to this statute.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles.

The Corporation's Plans report on their financial position and results of operations. The financial statements account for contributions from participants and the employer, investment income, and benefits distributed to participants.

#### **B. REPORTING ENTITY**

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy, has defined the governmental reporting entity to be the State of Louisiana. The Corporation is considered to be a component unit of the State of Louisiana because the state has financial accountability for the Corporation. Although the Corporation appoints the Plans' governing board, the Corporation is not financially accountable for the Plans since, under the Internal Revenue Code (IRC), all assets and income of the Plans are held in trust for the exclusive benefit of participants. In accordance with the provisions of GASB Statement No. 32, plan balances and activities are not reflected in the Corporation's financial statements. In addition, administrative and investment services for the Plans are provided by an insurance company.

#### **C. BASIS OF ACCOUNTING**

Basis of accounting refers to the timing of recognition of additions and deductions in the accounts and reporting in the financial statements. The financial statements of the Corporation's Plans are accounted for using the accrual basis of accounting. Accordingly, additions are recognized when earned and deductions are recognized when incurred. The Plans use the following practices in recognizing additions and deductions:

**Contributions**

Employer and employee contributions are recognized in the period when the compensation used to calculate the contributions is earned.

**Investment Income**

Investment income is accrued as earned.

**Plan Expenses**

Fees related to the record keeping and administration of the Plans are paid by the Corporation. Participants pay fees for the processing of distribution requests.

**Benefits Paid to Participants**

Benefits are recorded when due.

**D. VALUATION OF INVESTMENTS**

Investments are reported at fair value, which is based on net asset value (NAV) or quoted market prices.

**2. DESCRIPTION OF THE PLANS**

As of December 31, 2020, there were 103 participants in the Basic Plan, 96 participants in the Supplemental Plan, and 86 participants in the 457(b) Retirement Plan.

**A. BASIC RETIREMENT PLAN**

The Corporation has a money purchase plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended, which is intended to constitute a safe harbor within the meaning of Section 3121(b)(7) of the code and the regulations promulgated thereunder. The Basic Retirement Plan, which is a defined contribution plan, began September 1, 1993, with all employees eligible except those who elect coverage under a state retirement plan and those who are either independent contractors or leased employees.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

As defined in the Basic Retirement Plan, the Corporation's contribution shall be 5% of the participant's compensation for such plan year. The participant's contribution shall equal 6.2% of his or her compensation for such plan year.

No more than the social security wage base in effect as of the first day of the plan year shall be treated as compensation. As of June 1, 1994, the Corporation elected to treat all contributions to the plan as pre-tax.

The distribution of a participant's benefits shall commence as of the date designated by the participant (annuity starting date) after termination of employment with the Corporation, but shall not be later than April 1 of the year following the calendar year in which the participant attains age 72 or the date on which the participant terminates his or her employment, if later. Subject to certain restrictions, an active participant may also elect to receive a distribution upon attainment of age 62 without regard to whether the participant has terminated his or her employment.

The required minimum distribution (RMD) rules for participants aged 72 or older were temporarily waived in the 2020 calendar year pursuant to the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*.

The participant shall make a qualified election to receive the distribution in the form of a single-sum payment or to purchase a qualified joint and survivor annuity or single life annuity contract. This qualified election may be revoked, modified, or amended at any time, or multiple times before the participant's annuity starting date; however, the qualified election is irrevocable as of the participant's annuity starting date.

### **B. SUPPLEMENTAL RETIREMENT PLAN**

The Corporation has a defined contribution retirement plan that covers substantially all full-time employees. The plan is a governmental plan within the meaning of Section 414(d) of the IRC of 1986, as amended, and is intended to constitute a profit-sharing plan under which contributions are determined without regard to the current or accumulated profits of the Corporation, if any.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

The Corporation contributes 4.5% of each participant's compensation for the year, as defined. Generally, participants are not permitted to contribute to the plan; however, participants may contribute proceeds from a qualified rollover distribution as allowed by IRC Section 402.

In addition, each fiscal year ending June 30, the Board of Directors of the Corporation may determine the amount of a discretionary contribution not to exceed 4% of each participant's compensation for any fiscal year.

The distribution of a participant's account shall be made in the form of a single-sum payment after the participant terminates employment with the Corporation, becomes disabled, or dies. A participant may elect to postpone the distribution, in writing on forms provided by the Retirement Plans Committee, provided, however, in no event shall

distribution be postponed later than April 1 following the close of the calendar year in which the participant attains age 72 or the date on which the participant terminates his or her employment, if later.

The RMD rules for participants aged 72 or older were temporarily waived in the 2020 calendar year pursuant to the *CARES Act*.

### **C. 457(b) RETIREMENT PLAN**

The 457(b) Retirement Plan is a voluntary deferred compensation plan adopted under the provisions of IRC Section 457(b).

A full-time employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

The plan includes an *Automatic Contribution Arrangement*. Eligible employees will be automatically enrolled at the default percentage of 5.5% of compensation on a pre-tax basis unless an affirmative election is made on a *Compensation Deferral Election Form*. Effective July 1, 2017 and on each subsequent July 1<sup>st</sup>, the default percentage shall increase by 1%, up to a maximum of 9.5%.

For the plan year, the sum of compensation deferred by a participant and the Corporation's matching contributions made on behalf of such participant shall not exceed the lesser of such participant's compensation or \$19,500. The Corporation contributes a matching contribution equal to 100% of the first 2.5% of compensation deferred by each participant and 50% of the next 3% of compensation deferred by each participant. Participants can elect any combination of Pre-tax or Roth deferral options.

Benefits are payable to former employees at the time and in the manner designated by the participants on a distribution election form. In no event may a participant defer payment of benefits later than April 1 of the calendar year immediately following the year in which the participant attains age 72 or the date on which the participant terminates his or her employment, if later. The distribution of benefits shall be made in the form of a single-sum payment.

The RMD rules for participants aged 72 or older were temporarily waived in the 2020 calendar year pursuant to the *CARES Act*.

In addition, the *CARES Act* permitted plan sponsors to allow *Coronavirus-Related Distributions (CRD)* for 457(b) plan participants during the 2020 calendar year subject to restrictions elected by the *Retirement Plans Committee*. Participants impacted by COVID-19 were allowed withdrawals of up to \$25,000 from the employee elective deferral portion of their accounts. Six participants elected this option during the plan year. Total CRD withdrawals were \$68,869.

### 3. INVESTMENTS

Principal Life Insurance Company (PLIC) provides administrative and investment services for the Plans. The Plans' investments at December 31, 2020 are held in trusts, pooled separate accounts, collective investment trusts, or mutual funds. The Principal Stable Value Fund is held in a trust with Principal Global Investors Trust Company serving as the trustee. The separate accounts are established through a flexible investment annuity group contract with PLIC and consist of proprietary Principal funds. Principal LifeTime Hybrid CIT funds are offered through a participation agreement with Principal Global Investors Trust Company. Other mutual fund investments are offered through a group custodial agreement that includes Principal Global Investors Trust Company as trustee.

The fair values of investments in the Principal Stable Value Fund, Principal Separate Accounts, and Principal Lifetime Hybrid CIT funds are measured using net asset value (NAV) per share on a daily basis. These investments can be redeemed daily at NAV. The mutual fund investments are valued using quoted prices from exchange markets and are classified as level 1 of the GASB 72 fair value hierarchy. Mutual funds can also be redeemed daily at fair value.

The Corporation's Retirement Plans Investment Committee (the Committee) is responsible for designating the funds available for investment by Plan participants in accordance with its formal investment policy. The primary objectives of the investment program are to provide quality investment options, allow participants to exercise control over the investment of their retirement accounts, and offer access to an appropriate range of prudent investment options that enables participants to construct a well-diversified portfolio. The policy includes qualitative and quantitative criteria for selecting and monitoring investment options and managers for debt, real estate, asset allocation, and equity investment funds. No specific credit ratings for funds invested in debt securities are required. In addition, the policy does not specifically address requirements for interest rate or foreign currency risk.

All investment options in the Plans are offered at the lowest-cost share class available from PLIC because the Corporation pays for record keeping and administrative expenses. The net investment expense ratios are included in the investment performance chart on page 34 and on the fund fact sheets beginning on page 35.

Participants in the Supplemental and 457(b) Retirement Plans can allocate the investment of participant and employer contributions in whole percentages to any combination of funds reflected on the following page. Basic Plan participants can direct the investment of participant and employer contributions to any of the Principal LifeTime Hybrid CIT Funds listed on the following page. The investment allocations in the Plans for current balances and future contributions can be changed on a daily basis.

At December 31, 2020, investments are composed of the following:

## NOTES TO THE FINANCIAL STATEMENTS

	<i>401(a) Plans</i>		
	<u>Basic</u>	<u>Supplemental</u>	<u>457 (b)</u>
<b>Principal Stable Value Fund</b>			
(Principal Global Investors Trust Company - Trustee)		\$133,937	\$262,674
<b>PLIC Flexible Investment Annuity Group Contract</b>			
<b>Separate Accounts:</b>			
<b>Principal Proprietary Funds Z Rate Level:</b>			
U.S. Property		50,543	105,699
LargeCap S&P 500 Index		769,706	765,489
Bond Market Index		53,327	115,618
Core Plus Bond		47,346	41,929
Diversified International		13,771	7,558
Capital Appreciation		198,866	249,162
MidCap Value I		4,063	841
MidCap S&P 400 Index		106,602	147,881
LargeCap Growth I		408,660	536,867
LargeCap Value III		36,556	32,177
MidCap Growth III		439,639	703,604
SmallCap Growth I		556,405	667,014
SmallCap Value II		114,358	148,368
SmallCap S&P 600 Index		167,157	304,392
<b>Collective Investment Trusts:</b>			
<b>Principal Proprietary Funds Z Rate Level:</b>			
<b>Principal LifeTime Hybrid - Target Date Funds</b>			
(Principal Global Investors Trust Company - Trustee)			
Income CIT	\$506,445	74,395	12,324
2010 CIT	565,017	250,908	1,235,358
2015 CIT	313,592	26,571	128,540
2020 CIT	2,054,630	1,579,378	1,613,155
2025 CIT	3,508,285	2,488,355	2,254,883
2030 CIT	4,457,570	2,321,813	2,210,469
2035 CIT	2,358,987	722,008	734,843
2040 CIT	857,416	626,849	538,213
2045 CIT	578,349	435,444	366,809
2050 CIT	428,788	158,680	91,227
2055 CIT	258,497	54,329	27,205
2060 CIT	373,541	58,402	28,219
2065 CIT	1,426,295		5,230
<b>Mutual Fund Investments:</b>			
(Principal Global Investors Trust Company - Trustee)			
American Century Equity Income A Fund		55,536	73,134
American Funds Growth Fund of America Fund		217,262	366,605
American Funds Euro Pacific Growth Fund		166,302	339,142
<b>Total</b>	<u>\$17,687,412</u>	<u>\$12,337,168</u>	<u>\$14,114,629</u>

Investments in the Principal LifeTime Hybrid CIT Funds account for 81% of total investments of all three Plans. These portfolios have various allocations to underlying funds that have investments in bonds and international securities. The underlying bond investments have credit quality ratings and duration measurements that indicate exposure to fair value changes arising from changing interest rates. The Principal LifeTime Hybrid CIT Funds are not specifically rated and duration is not reported. The holdings of each fund are displayed in the fund fact sheets beginning on page 36.

The Principal Stable Value Fund, Bond Market Index and Core Plus Bond Separate Accounts also have underlying fixed income investments with credit quality ratings. However, these funds are not specifically rated.

The Diversified International Separate Account and the American Funds Euro Pacific Growth Fund are international funds.

#### **4. INCOME TAX STATUS**

The Basic and Supplemental Retirement Plans obtained favorable determination letters from the IRS on May 11, 2017. The IRS stated that the Plans, as designed, were in compliance with the applicable requirements of the IRC. Therefore, the Plans are qualified and tax-exempt as of the financial statement date.

The 457(b) Retirement Plan is an employee benefit plan that is established and maintained under Section 457(b) of the IRC. The 457(b) Retirement Plan has not requested a private letter ruling, which is, in effect, a determination as to the legal status of the Plan. However, the Plan's tax counsel believes that the Plan is designed in compliance with the applicable requirements of the IRC.

#### **5. RISK MANAGEMENT**

The Corporation and the Plans' fiduciaries are exposed to various risks of loss related to investment performance, crime, and administrative errors or omissions. The Plans are governmental plans and are not subject to the requirements of the Employee Retirement Income Security Act (ERISA). However, in the best interests of the participants, the Plans' fiduciaries have elected to follow the guidelines in ERISA to provide adequate due diligence in the selection and monitoring of investment options and managers. PLIC assists with these responsibilities and is a co-fiduciary with regard to the selection, monitoring, and retention of portfolio investment managers for its separate accounts. Wilshire Funds Management provides objective, independent, third party oversight for the screening, selection, and monitoring of investment options. In addition, the Corporation has purchased fiduciary liability, crime, and employee benefits administration commercial insurance to cover potential losses.

**6. TERMINATION**

Although it has not expressed any intent to do so, the Board of Directors of the Corporation has the right, at any time, to terminate the Plans, in whole or in part, by delivering written notice to the administrative services provider and to each participant of such termination. A complete discontinuance of the Corporation's contributions to the Plans shall be deemed to constitute a termination. Upon such termination, the Retirement Plans Committee shall direct the administrative services provider to distribute the assets of the Plans to the participants.

**7. MERGERS**

The Basic and Supplemental Plans may be merged or consolidated with or its assets and liabilities may be transferred to another plan only if the benefits which would be received by a participant in the event of a termination of the Plans immediately after such transfer, merger, or consolidation are at least equal to the benefit such participant would have received if the Plans had terminated immediately before the transfer, merger, or consolidation.

**8. LITIGATION**

There is no pending litigation against the Plans at December 31, 2020.



## SCHEDULES OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS, BY INVESTMENT OPTION

Whereas Statement B presents the totals for the Plans as a whole, these schedules present the changes in net position available for benefits by investment option for the year ended December 31, 2020.

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Schedule of Changes in Net Position Available for Benefits, by Investment**

**Option for the 401(a) Basic Plan**

**For the Year Ended December 31, 2020**

	NET POSTION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME (LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICE FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>PLIC Flexible Investment Annuity Group Contract</b>								
<b>Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal LifeTime Hybrid - Target Date Funds</b>								
<b>(Principal Global Investors Trust Company - Trustee)</b>								
Income CIT	\$467,714	\$46,041	\$2,710	\$2,186	(\$7,810)	(\$100)	(\$4,296)	\$506,445
2010 CIT	523,787	56,770			(15,540)			565,017
2015 CIT	271,846	32,515	5,110	4,121				313,592
2020 CIT	1,798,866	231,563	33,667	27,151	(36,557)	(60)		2,054,630
2025 CIT	3,216,980	408,647	67,635	54,544	(239,381)	(140)		3,508,285
2030 CIT	3,766,604	573,941	64,801	52,260		(36)		4,457,570
2035 CIT	1,381,123	295,476	51,290	41,363			589,735	2,358,987
2040 CIT	1,358,274	134,055	31,607	25,491			(692,011)	857,416
2045 CIT	526,572	64,810	36,234	29,220	(78,387)	(100)		578,349
2050 CIT	354,362	61,204	20,289	16,362	(15,714)	(150)	(7,565)	428,788
2055 CIT	239,619	36,044	7,833	6,317	(3,806)	(50)	(27,460)	258,497
2060 CIT	305,604	51,718	14,032	11,316	(9,029)	(100)		373,541
2065 CIT	1,031,838	205,609	26,157	21,094			141,597	1,426,295
<b>Contributions Receivable</b>	17,933		(4,286)	(3,457)				10,190
<b>Total</b>	<b>\$15,261,122</b>	<b>\$2,198,393</b>	<b>\$357,079</b>	<b>\$287,968</b>	<b>(\$406,224)</b>	<b>(\$736)</b>	<b>NONE</b>	<b>\$17,697,602</b>

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Schedule of Changes in Net Position Available for Benefits, by Investment  
Option for the 401(a) Supplemental Plan  
For the Year Ended December 31, 2020**

	NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME (LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICE FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>Principal Stable Value Fund</b>								
(Principal Global Investors Trust Company - Trustee)	\$132,139	\$2,625		\$7,791			(\$8,618)	\$133,937
<b>PLIC Flexible Investment Annuity Group Contract</b>								
<b>Separate Accounts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
U.S. Property	47,604	415	\$294	2,230				50,543
LargeCap S&P 500 Index	704,547	126,725	6,475	20,636			(88,677)	769,706
Bond Market Index	35,868	3,152		503			13,804	53,327
Core Plus Bond	40,804	4,153	1,177	1,212				47,346
Diversified International	8,021	2,097	2,944	709				13,771
Capital Appreciation	162,080	31,281	294	4,621			590	198,866
MidCap Value I	2,937	354	294	478				4,063
MidCap S&P 400 Index	149,597	13,098	6,475	7,111			(69,679)	106,602
LargeCap Growth I	231,117	90,535	294	9,076			77,638	408,660
LargeCap Value III	34,157	1,339	294	766				36,556
MidCap Growth III	315,541	117,758	294	6,046				439,639
SmallCap Growth I	315,978	155,031	294	11,096			74,006	556,405
SmallCap Value II	105,438	5,176	294	3,450				114,358
SmallCap S&P 600 Index	125,940	20,811	6,475	5,373			8,558	167,157
<b>Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal LifeTime Hybrid - Target Date Funds</b>								
(Principal Global Investors Trust Company - Trustee)								
Income CIT	65,721	6,706		1,968				74,395
2010 CIT	226,225	24,683						250,908
2015 CIT	23,800	2,771						26,571
2020 CIT	1,347,382	177,849		54,147				1,579,378
2025 CIT	2,261,090	288,913		83,368	(144,866)	(150)		2,488,355
2030 CIT	1,938,773	297,104		85,950		(14)		2,321,813
2035 CIT	576,270	94,965		50,773				722,008
2040 CIT	504,682	84,431		37,736				626,849
2045 CIT	369,719	49,801		48,570	(32,596)	(50)		435,444
2050 CIT	136,551	18,160	1,177	20,591	(17,749)	(50)		158,680
2055 CIT	41,751	7,609	1,472	6,383	(2,836)	(50)		54,329
2060 CIT	48,888	7,563		7,708	(5,657)	(100)		58,402
<b>Mutual Fund Investments:</b>								
(Principal Global Investors Trust Company - Trustee)								
American Century Equity Income A Fund	52,092	708	294	2,442				55,536
American Funds Growth Fund of America Fund	158,858	58,740	294	6,992			(7,622)	217,262
American Funds Euro Pacific Growth Fund	126,734	33,503	294	5,771				166,302
<b>Contributions Receivable</b>	7,089			(3,060)				4,029
<b>Total</b>	<u>\$10,297,393</u>	<u>\$1,728,056</u>	<u>\$29,429</u>	<u>\$490,437</u>	<u>(\$203,704)</u>	<u>(\$414)</u>	<u>NONE</u>	<u>\$12,341,197</u>

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Schedule of Changes in Net Position Available for Benefits, by Investment  
Option for the 457(b) Retirement Plan  
For the Year Ended December 31, 2020**

	NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME (LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICES FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>Principal Stable Value Fund</b>								
(Principal Global Investors Trust Company - Trustee)	\$267,037	\$5,222	\$11,769	\$2,844	(\$5,545)		(\$18,653)	\$262,674
<b>PLIC Flexible Investment Annuity Group Contract</b>								
<b>Separate Accounts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
U.S. Property	99,207	858	3,288	1,711	(47)	(\$21)	703	105,699
LargeCap S&P 500 Index	729,735	129,652	21,777	7,610	(2,137)	(6)	(121,142)	765,489
Bond Market Index	77,764	6,946	1,502	447			28,959	115,618
Core Plus Bond	36,829	3,757	778	565				41,929
Diversified International	5,852	1,144	325	237				7,558
Capital Appreciation	202,916	39,448	4,529	2,280	(700)	(2)	691	249,162
MidCap Value I	778	52	29	21	(39)			841
MidCap S&P 400 Index	203,828	17,344	6,944	2,613	(1,670)	(5)	(81,173)	147,881
LargeCap Growth I	319,117	123,031	10,038	5,470	(17,291)	(12)	96,514	536,867
LargeCap Value III	29,741	1,210	710	516				32,177
MidCap Growth III	495,079	188,929	12,298	5,915	(792)	(3)	2,178	703,604
SmallCap Growth I	472,144	190,320	7,017	3,362			(5,829)	667,014
SmallCap Value II	137,625	6,643	3,165	1,612	(675)	(2)		148,368
SmallCap S&P 600 Index	155,447	35,655	4,505	2,165	(1,642)	(5)	108,267	304,392
<b>Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal LifeTime Hybrid - Target Date Funds</b>								
(Principal Global Investors Trust Company - Trustee)								
Income CIT	7,213	997	3,175	939				12,324
2010 CIT	1,113,831	121,527						1,235,358
2015 CIT	115,135	13,405						128,540
2020 CIT	1,411,999	183,369	49,064	20,911	(52,125)	(63)		1,613,155
2025 CIT	1,997,842	265,279	78,411	37,235	(123,710)	(174)		2,254,883
2030 CIT	1,828,443	284,998	69,980	37,048	(10,000)			2,210,469
2035 CIT	575,268	97,489	42,293	19,793				734,843
2040 CIT	425,986	73,228	32,782	17,741	(10,821)		(703)	538,213
2045 CIT	296,091	49,933	35,329	17,084	(31,528)	(100)		366,809
2050 CIT	73,517	13,012	7,571	4,986	(7,809)	(50)		91,227
2055 CIT	20,468	3,774	1,880	1,264	(131)	(50)		27,205
2060 CIT	21,385	4,085	1,533	1,216				28,219
2065 CIT	3,727	767	442	294				5,230
<b>Mutual Fund Investments:</b>								
(Principal Global Investors Trust Company - Trustee)								
American Century Equity Income A Fund	69,459	897	2,894	1,480	(1,591)	(5)		73,134
American Funds Growth Fund of America Fund	264,357	99,935	8,455	3,670			(9,812)	366,605
American Funds Euro Pacific Growth Fund	255,872	68,734	9,662	5,401	(525)	(2)		339,142
<b>Contributions Receivable</b>	17,105		(4,981)	(2,362)				9,762
<b>Total</b>	<u>\$11,730,797</u>	<u>\$2,031,640</u>	<u>\$427,164</u>	<u>\$204,068</u>	<u>(\$268,778)</u>	<u>(\$500)</u>	<u>NONE</u>	<u>\$14,124,391</u>

**INVESTMENT SECTION  
(UNAUDITED)**

## Investment Program Overview

The Investment Committee is responsible for the selection and monitoring of the investment options available to participants. A formal investment policy governs the structure and content of these responsibilities. The primary objectives of this policy are as follows:

- **Program Quality** - Provide quality investment options that generate a high level of participation and satisfaction for both current and former employees.
- **Participant Control** – Allow participants to exercise control over their retirement accounts by providing them the ability to direct the investment of account assets.
- **Diversification** – Offer participants access to an appropriate range of prudent investment options that enables them to construct a well-diversified portfolio. The availability of suitable investment options will allow Plan participants to materially affect the potential returns on amounts in their accounts, control the degree of risk to which such amounts are subject, and create a portfolio with aggregate risk and return characteristics normally appropriate for Plan participants.

The Committee has structured the Plans' menu of investment options toward meeting these objectives by selecting funds that are diversified across a selection of asset classes, styles, and investment managers. Target-date funds are offered in all three plans. These funds are professionally managed asset allocation portfolios that are fully diversified single investment options matched to a participant's investment time horizon. Principal Lifetime Hybrid CIT Funds are age-based (lifecycle) portfolios that are managed and adjusted systematically based on targeted retirement dates. In addition, a broad variety of individual separate accounts and funds are offered in the Supplemental and 457(b) Plans for the participants that are more involved in their individual investment allocations.

This section of the report contains the following information about the investments offered in the plans:

- **Investment Policy Approved Investment Options** (Page 30)
  - Contains a listing of funds available for investment by participants in each plan grouped into categories of investor preference (i.e. completely do-it-for-me, do-it-myself)
- **Investment Styles** (Page 31)
  - Reflects the diversification of the investment offerings by asset classes, styles, and investment managers
- **Asset Allocation** (Page 32)
  - Provides an overview of the allocation of plan assets by asset class at December 31, 2020
- **Fair Value and Percent of Total Fair Value for Each Investment** (Page 33)
  - Presents the fair value of each investment and percent to total plan assets fair value
- **Investment Performance** (Page 34)
  - Average annualized % rates of return for the 1-, 3-, 5-, and 10- year time periods and net expense ratios for each fund are provided
- **Fund Fact Sheets** (Pages 36-96)
  - Contain detailed information about each investment option including investment strategy, returns compared to market categories and benchmarks, statistics, and holdings

Investment balances and allocations are reported at fair value, which is based on deposit values and quoted market prices. Performance calculations are time-weighted rates of return based on market rates of return.

This section of the report was prepared by James F. Goodrum, Vice President of Finance and member of the Investment Committee.

## Investment Policy Approved Investment Options

Source: Louisiana Lottery Corporation Retirement Plans Investment Policy

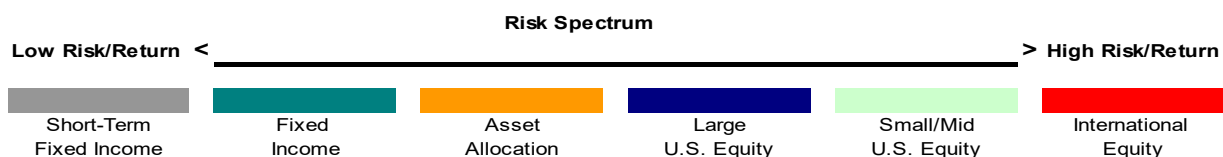
### Louisiana Lottery Corporation Investment Policy Current Approved Investment Options

\* Use lowest-cost share class available for all investment options with Lottery directly paying administrative expenses

Investment Fund	Investment Style	Basic Plan	Supplemental Plan	457(b) Plan
<b>Lifecycle (Age-Based) Funds:</b>				
<b>Completely "Do-it-for-me" Investors</b>				
<b>Principal LifeTime Hybrid Funds: (1)</b>	Asset Allocation	√	√	√
All funds in series including 5-year intervals and any future date portfolios				
<b>Individual Separate Accounts and Funds:</b>				
<b>"Do-it-myself" Investors</b>				
Principal Stable Value Fund	Stable Value or Cash Equivalent		√	√
Core Plus Bond	Domestic Fixed Income		√	√
Bond Market Index Separate Account	Domestic Fixed Income		√	√
U.S. Property Separate Account	Core Real Estate Property		√	√
LargeCap S&P 500 Index	Domestic Stock/Large Blend Index		√	√
Capital Appreciation Separate Account	Domestic Stock/Large Blend		√	√
LargeCap Value III Separate Account	Domestic Stock/Large Value		√	√
LargeCap Growth I Separate Account	Domestic Stock/Large Growth		√	√
American Century Equity Income Fund	Domestic Stock/Large Value		√	√
American Funds Growth Fund of America Fund	Domestic Stock/Large Growth		√	√
MidCap Growth III Separate Account	Domestic Stock/Mid Growth		√	√
MidCap Value I Separate Account	Domestic Stock/Mid Value		√	√
MidCap S&P 400 Index Separate Account	Domestic Stock/Mid Blend		√	√
SmallCap Growth I Separate Account	Domestic Stock/Small Growth		√	√
SmallCap Value II Separate Account	Domestic Stock/Small Value		√	√
SmallCap S&P 600 Index Separate Account	Domestic Stock/Small Blend		√	√
Diversified International Separate Account	International or Foreign Stock		√	√
American Funds EuroPacific Growth Fund	International or Foreign Stock		√	√

√ - Approved investment option




















(1) These targeted retirement date portfolios will be the default investment option for the plans if a participant does not make an affirmative investment election or elects a do-it-for-me option on an enrollment form.






## Investment Styles

Source: Investment Committee and Principal Financial Group

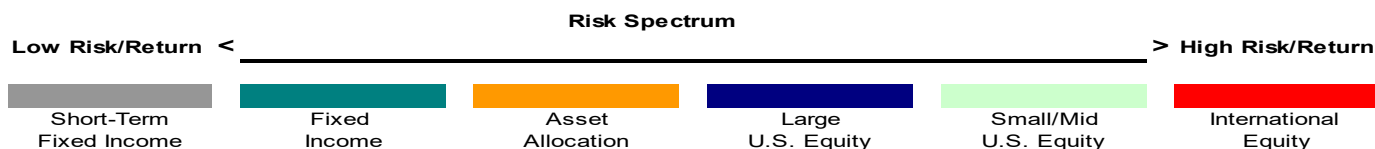
### Domestic Equity Investment Style Box

	Value	Blend	Growth
	Large U.S. Equity		
Large Cap	LargeCap Value III Separate Account  <b>BARROW, HANLEY, MEWHINNEY &amp; STRAUSS, LLC</b> American Century Equity Income A Fund 	LargeCap S&P 500 Index Separate Account  Capital Appreciation Separate Account 	LargeCap Growth I Separate Account   American Funds Growth Fund of America Fund    <b>AMERICAN FUNDS</b>
	Small/Mid U.S. Equity		
Mid Cap	MidCap Value I Separate Account   SmallCap Value II Separate Account   	MidCap S&P 400 Index Separate Account  SmallCap S&P 600 Index Separate Account 	MidCap Growth III Separate Account   SmallCap Growth I Separate Account   
Small Cap			

### Other Investment Styles

Short-Term Fixed Income	Fixed Income	Asset Allocation
Principal Stable Value Fund 	Core Plus Bond Separate Account  U.S. Property Separate Account  Bond Market Index Separate Account 	Principal LifeTime Hybrid Funds 

International Equity
Diversified International Separate Account  American Funds Euro Pacific Growth Fund    <b>AMERICAN FUNDS</b>



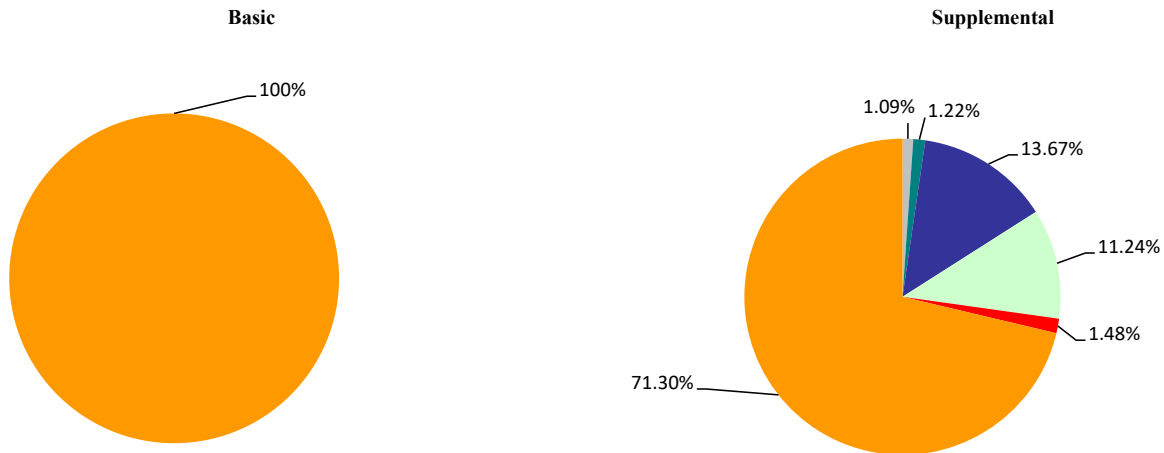


## Asset Allocation

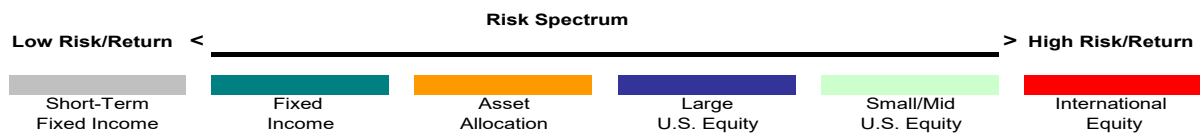
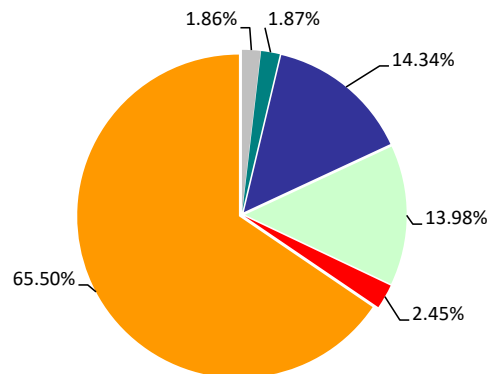
Source: Investment Committee

This chart reflects that the majority of participants prefer investing in the asset allocation funds offered in the investment menu for the Plans. The Basic Plan only allows investments into these target date lifetime hybrid funds while the Supplemental and 457(b) Plans offer the full menu of options approved in the investment policy.

### 401(a) Plans



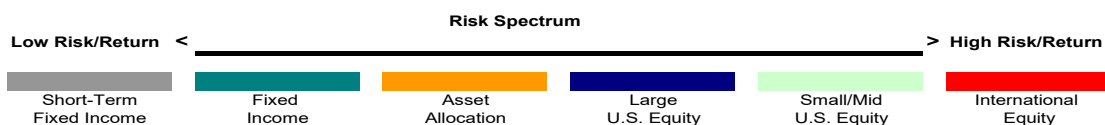
### 457(b) Plan



## Fair Value and Percent of Total Fair Value for Each Investment

Source: Principal Financial Group

401(a) Plans						
	Basic		Supplemental		457(b) Plan	
	2020	%	2020	%	2020	%
<b>Target-Date Funds:</b>						
<b>Principal Trust (SM) Portfolios:</b>						
<i>Target Date Portfolios</i>						
Income CIT Fund	\$506,445	2.86%	\$74,395	0.60%	\$12,324	0.09%
2010 CIT Fund	565,017	3.19%	250,908	2.03%	1,235,358	8.75%
2015 CIT Fund	313,592	1.77%	26,571	0.22%	128,540	0.91%
2020 CIT Fund	2,054,630	11.62%	1,579,378	12.80%	1,613,155	11.43%
2025 CIT Fund	3,508,285	19.83%	2,488,355	20.17%	2,254,883	15.98%
2030 CIT Fund	4,457,570	25.20%	2,321,813	18.82%	2,210,469	15.66%
2035 CIT Fund	2,358,987	13.34%	722,008	5.85%	734,843	5.21%
2040 CIT Fund	857,416	4.85%	626,849	5.08%	538,213	3.81%
2045 CIT Fund	578,349	3.27%	435,444	3.53%	366,809	2.60%
2050 CIT Fund	428,788	2.42%	158,680	1.29%	91,227	0.65%
2055 CIT Fund	258,497	1.47%	54,329	0.44%	27,205	0.19%
2060 CIT Fund	373,541	2.11%	58,402	0.47%	28,219	0.18%
2065 CIT Fund	1,426,295	8.07%			5,230	0.04%
<b>Individual Separate Accounts and Funds:</b>						
Principal Stable Value Fund			133,937	1.09%	262,674	1.86%
Core Plus Bond			47,346	0.38%	41,929	0.30%
Bond Market Index			53,327	0.43%	115,618	0.82%
U.S. Property Separate Account			50,543	0.41%	105,699	0.75%
LargeCap S&P 500 Index Separate Account			769,706	6.24%	765,489	5.42%
Capital Appreciation Separate Account			198,866	1.61%	249,162	1.77%
LargeCap Value III Separate Account			36,556	0.30%	32,177	0.23%
LargeCap Growth I Separate Account			408,660	3.31%	536,867	3.80%
American Century Equity Income A Fund			55,536	0.45%	73,134	0.52%
American Funds Growth Fund of America Fund			217,262	1.76%	366,605	2.60%
MidCap Growth III Separate Account			439,639	3.56%	703,604	4.98%
MidCap Value I Separate Account			4,063	0.03%	841	0.01%
MidCap S&P 400 Index			106,602	0.86%	147,881	1.05%
SmallCap Growth I Separate Account			556,405	4.51%	667,014	4.73%
SmallCapValue II Separate Account			114,358	0.93%	148,368	1.05%
SmallCap S&P 600 Index Separate Account			167,157	1.35%	304,392	2.16%
Diversified International Separate Account			13,771	0.12%	7,558	0.05%
American Funds Euro Pacific Growth Fund			166,302	1.36%	339,142	2.40%
	\$17,687,412	100.00%	\$12,337,168	100.00%	\$14,114,629	100.00%



## Investment Performance

Source: Principal Financial Group

Comparisons to benchmarks and peer groups included in fund fact sheets beginning on page 36

### % Rates of Return Through December 31, 2020

**Target- Date Funds:**

	1 Year	3 Years	5 Years	10 Years	Net Expense Ratio
--	--------	---------	---------	----------	-------------------

#### Principal LifeTime Hybrid Portfolios:

##### Target Date Portfolios

Income CIT Fund	10.03	6.15	6.17	5.24	0.29
2010 CIT Fund	10.91	6.62	7.18	6.52	0.29
2015 CIT Fund	11.64	7.04	7.91	7.17	0.29
2020 CIT Fund	12.80	7.70	8.78	7.91	0.29
2025 CIT Fund	13.78	8.31	9.58	8.52	0.29
2030 CIT Fund	14.75	8.79	10.26	9.06	0.29
2035 CIT Fund	15.24	9.23	10.84	9.48	0.29
2040 CIT Fund	15.62	9.44	11.24	9.83	0.29
2045 CIT Fund	15.84	9.60	11.54	10.06	0.29
2050 CIT Fund	16.03	9.75	11.81	10.26	0.29
2055 CIT Fund	15.93	9.76	11.91	10.31	0.29
2060 CIT Fund (1)	16.20	9.85	12.01		0.29
2065 CIT Fund (2)	16.71				0.29

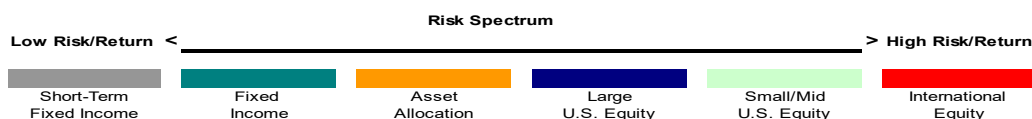
#### Individual Separate Accounts and Funds:

Principal Stable Value Fund	2.01	2.14	1.96	1.78	0.34
Core Plus Bond Separate Account	10.05	6.13	5.58	4.78	0.27
Bond Market Index Separate Account	7.38	5.16	4.21	3.59	0.16
U.S. Property Separate Account	0.81	5.07	6.53	10.04	0.79
LargeCap S&P 500 Index Separate Account	18.36	14.13	15.15	13.81	0.05
Capital Appreciation Separate Account	18.99	15.32	15.27	13.66	0.32
LargeCap Value III Separate Account	3.40	7.30	10.40	10.45	0.53
LargeCap Growth I Separate Account	36.40	24.25	21.08	17.24	0.39
American Century Equity Income A Fund	0.83	5.98	9.92	9.48	1.17
American Funds Growth Fund of America Fund	38.28	20.07	18.97	15.66	0.30
MidCap Growth III Separate Account	36.82	21.19	18.43	13.45	0.60
MidCap Value I Separate Account	6.74	6.65	10.02	10.07	0.50
MidCap S&P 400 Index Separate Account	13.54	8.36	12.25	11.41	0.05
SmallCap Growth I Separate Account	42.58	21.91	20.24	15.74	0.64
SmallCap Value II Separate Account	3.93	3.31	8.24	9.00	0.68
SmallCap S&P 600 Index Separate Account	11.34	7.70	12.34	11.84	0.05
Diversified International Separate Account	17.22	6.20	9.36	6.89	0.44
American Funds Euro Pacific Growth Fund	25.27	10.74	12.47	8.14	0.46

(1) Inception year is 2014. Performance information is not available.

(2) Inception year is 2018. Performance information is not available.

\*Performance calculations are time-weighted rates of return based on market rates of return.



## **Fund Fact Sheets**

*Source: Reprinted with permission from Principal Financial Group*

# Principal LifeTime Hybrid Income CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks current income and, as a secondary objective, capital appreciation. To pursue its goal, this Target Date Fund generally invests in affiliated and may invest in nonaffiliated open-ended mutual funds, insurance company separate accounts, and collective trust funds that Principal Trust considers appropriate based on investors who have reached their investment time horizon.

## Multiple Sub-Advisors

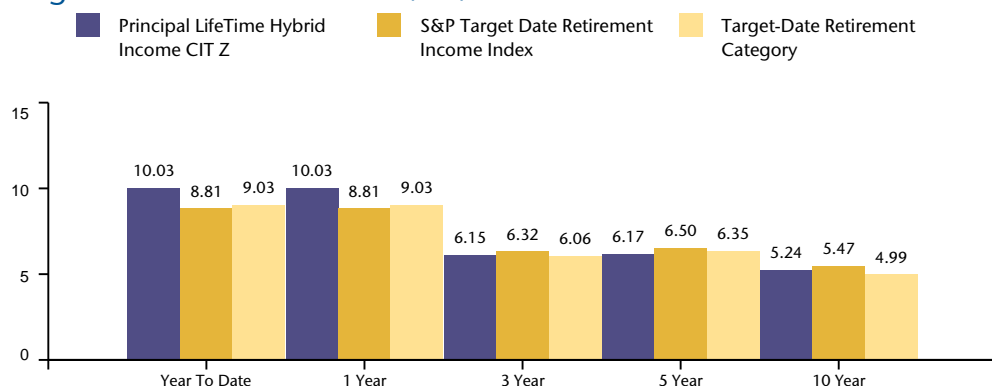
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %	10.03	10.03	6.15	6.17	5.24
S&P Target Date Retirement Income Index %	8.81	8.81	6.32	6.50	5.47
Target-Date Retirement Category %	9.03	9.03	6.06	6.35	4.99
Morningstar Percentile Rankings	-	33	47	66	47
# of Funds in Category	168	168	148	126	84
Annual Returns	2020	2019	2018	2017	2016
Total Return %	10.03	11.83	-2.79	7.59	4.81
S&P Target Date Retirement Income Index %	8.81	13.33	-2.54	8.54	5.01
Target-Date Retirement Category %	9.03	12.85	-3.16	8.81	5.10
Morningstar Percentile Rankings	33	67	38	79	63
# of Funds in Category	168	183	187	175	171

Morningstar percentile rankings are based on total returns.

## Morningstar category

Target-Date Retirement

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date Retirement Income Index

	3Yr	5Yr
Alpha	0.48	0.38
Beta	0.86	0.86
R-Squared	97.58	97.31
Standard Deviation	5.70	4.65
Mean	6.15	6.17
Sharpe Ratio	0.81	1.06
Excess Return	-0.17	-0.33
Tracking Error	1.29	1.06
Information Ratio	-0.12	-0.31

## Operations

Total Investment Expense Net 0.29%

Total Investment Expense Gross 0.29%

Inception Date 07/07/2009

Total Net Assets (mil) \$522.73



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Short-Term Income Inst Fund	4.01	2.89	2.45	-	0.43	0.43	N/A 02/28/2021	07/25/1996*
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	64.91	0.00	64.91
	U.S. Stocks	16.84	0.00	16.84
	Non-U.S. Stocks	6.35	0.00	6.35
	Non-U.S. Bonds	5.37	0.42	5.80
	Cash	3.23	1.00	4.23
	Other	1.85	0.07	1.92
	Convertibles	0.63	0.00	0.63

## Top ten holdings

	% of net assets
1. Principal Bond Market Index SP	40.33
2. Principal Short-Term Income Inst	21.53
3. Principal LargeCap S&P 500 Idx SP	13.71
4. Principal High Income Inst	7.18
5. Principal Diversified International R-6	4.94
6. Principal Inflation Protection Inst	4.57
7. Principal Diversified Real Asset Tier 3	2.08
8. Principal MidCap S&P 400 Index SP	1.76
9. PGI CIT International Strategic Eq 0 bp	1.56
10. Principal SmallCap S&P 600 Idx SP	1.28
% of net assets in top ten holdings	98.94

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	11
AvgMktCap (mil)	\$62,950.14
Turnover Ratio	35%
AvgEffDur (Yrs)	4.85
P/C Ratio	12.42
P/B Ratio	2.68
P/E Ratio	19.90

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.82</b>	<b>Defensive</b>	<b>23.51</b>
Consumer Cyclical	11.95	Healthcare	12.42
Basic Materials	4.58	Consumer Defensive	7.10
Financial Svcs	13.09	Utilities	3.99
Real Estate	4.20	Energy	2.84
		Comm Svcs	8.85
		<b>Sensitive</b>	<b>42.67</b>
		Technology	19.79
		Industrials	11.19

# Principal LifeTime Hybrid 2010 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

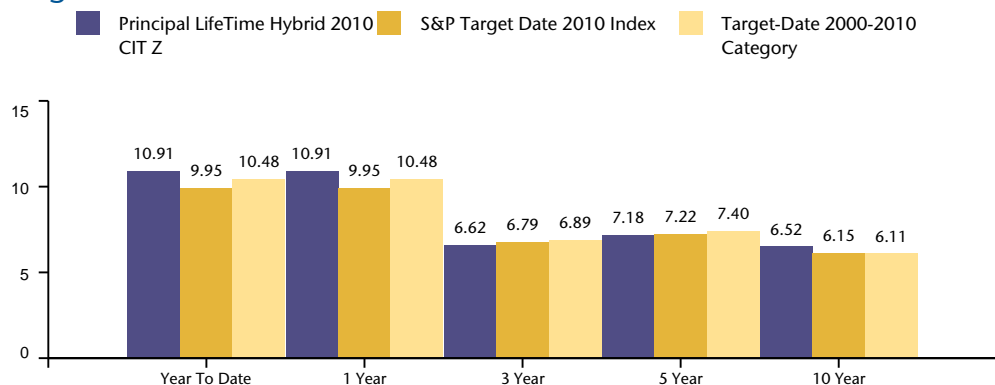
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		10.91	10.91	6.62	7.18	6.52
S&P Target Date 2010 Index %		9.95	9.95	6.79	7.22	6.15
Target-Date 2000-2010 Category %		10.48	10.48	6.89	7.40	6.11
Morningsstar Percentile R rankings		-	41	65	65	35
# of Funds in Category		119	119	88	75	52
Annual Returns		2020	2019	2018	2017	2016
Total Return %		10.91	13.59	-3.80	10.23	5.89
S&P Target Date 2010 Index %		9.95	14.30	-3.10	9.95	5.82
Target-Date 2000-2010 Category %		10.48	13.86	-3.25	10.15	5.86
Morningsstar Percentile R rankings		41	60	78	55	55
# of Funds in Category		119	140	137	110	111

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2000-2010

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2010 Index

	3Yr	5Yr
Alpha	0.11	0.25
Beta	0.94	0.95
R-Squared	98.74	98.67
Standard Deviation	7.10	5.84
Mean	6.62	7.18
Sharpe Ratio	0.72	1.01
Excess Return	-0.17	-0.04
Tracking Error	0.91	0.74
Information Ratio	-0.19	-0.05

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$769.26



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Short-Term Income Inst Fund	4.01	2.89	2.45	-	0.43	0.43	N/A 02/28/2021	07/25/1996*
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	58.64	0.00	58.64
	U.S. Stocks	21.68	0.00	21.68
	Non-U.S. Stocks	8.01	0.00	8.01
	Non-U.S. Bonds	5.13	0.12	5.25
	Cash	3.00	0.95	3.95
	Other	2.19	0.00	2.19
	Convertibles	0.57	0.00	0.57

## Top ten holdings

	% of net assets
1. Principal Bond Market Index SP	37.79
2. Principal Short-Term Income Inst	18.97
3. Principal LargeCap S&P 500 Idx SP	18.58
4. Principal Diversified International R-6	6.77
5. Principal High Income Inst	6.47
6. Principal Inflation Protection Inst	4.39
7. PGI CIT International Strategic Eq 0 bp	2.11
8. Principal MidCap S&P 400 Index SP	1.86
9. Principal SmallCap S&P 600 Idx SP	1.65
10. Principal International SmallCap SP	1.40
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$70,503.39
Turnover Ratio	32%
AvgEffDur (Yrs)	4.89
P/C Ratio	12.77
P/B Ratio	2.76
P/E Ratio	20.00

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.28</b>	<b>Defensive</b>	<b>23.33</b>
Consumer Cyclical	12.25	Healthcare	12.93
Basic Materials	4.04	Consumer Defensive	7.33
Financial Svcs	13.59	Utilities	3.07
Real Estate	3.40	Technology	20.65
		Industrials	10.99
		Energy	2.41
		Comm Svcs	9.34



# Principal LifeTime Hybrid 2015 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

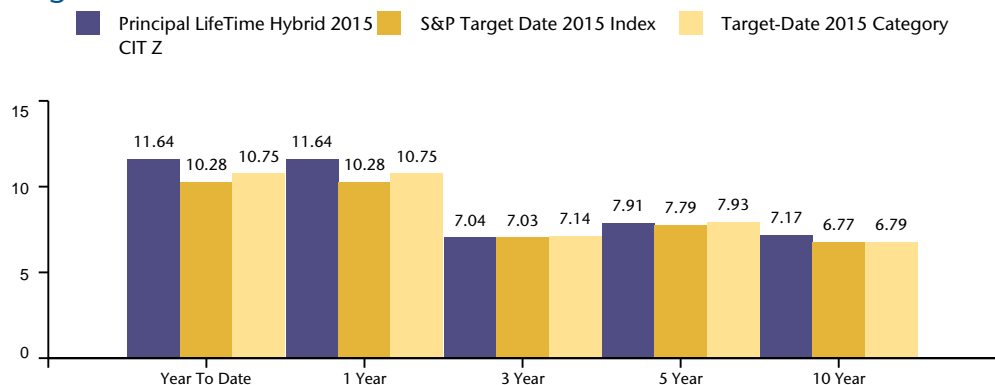
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		11.64	11.64	7.04	7.91	7.17
S&P Target Date 2015 Index %		10.28	10.28	7.03	7.79	6.77
Target-Date 2015 Category %		10.75	10.75	7.14	7.93	6.79
Morningsstar Percentile Rankings		-	39	69	55	29
# of Funds in Category		118	118	97	74	44
Annual Returns		2020	2019	2018	2017	2016
Total Return %		11.64	15.19	-4.63	11.86	6.65
S&P Target Date 2015 Index %		10.28	15.40	-3.67	11.39	6.56
Target-Date 2015 Category %		10.75	15.45	-3.86	11.29	6.12
Morningsstar Percentile Rankings		39	50	83	34	35
# of Funds in Category		118	128	142	122	131

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2015

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2015 Index

	3Yr	5Yr
Alpha	0.09	0.21
Beta	0.99	0.98
R-Squared	99.18	99.14
Standard Deviation	8.42	6.91
Mean	7.04	7.91
Sharpe Ratio	0.67	0.96
Excess Return	0.00	0.12
Tracking Error	0.78	0.66
Information Ratio	0.02	0.18

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$1,284.30



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Short-Term Income Inst Fund	4.01	2.89	2.45	-	0.43	0.43	N/A 02/28/2021	07/25/1996*
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	51.43	0.00	51.43
	U.S. Stocks	26.90	0.00	26.90
	Non-U.S. Stocks	10.51	0.00	10.51
	Non-U.S. Bonds	4.25	0.34	4.59
	Other	2.96	0.06	3.02
	Cash	2.74	0.85	3.58
	Convertibles	0.49	0.00	0.49

## Top ten holdings

	% of net assets
1. Principal Bond Market Index SP	33.67
2. Principal LargeCap S&P 500 Idx SP	23.35
3. Principal Short-Term Income Inst	14.98
4. Principal Diversified International R-6	8.57
5. Principal High Income Inst	5.55
6. Principal Inflation Protection Inst	4.02
7. PGI CIT International Strategic Eq 0 bp	2.68
8. Principal SmallCap S&P 600 Idx SP	1.90
9. Principal MidCap S&P 400 Index SP	1.86
10. Principal International SmallCap SP	1.79
% of net assets in top ten holdings	98.36

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	11
AvgMktCap (mil)	\$71,755.30
Turnover Ratio	25%
AvgEffDur (Yrs)	5.00
P/C Ratio	12.64
P/B Ratio	2.75
P/E Ratio	20.00

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.29</b>	<b>Defensive</b>	<b>23.52</b>
Consumer Cyclical	12.06	Healthcare	12.71
Basic Materials	4.28	Consumer Defensive	7.29
Financial Svcs	13.31	Utilities	3.52
Real Estate	3.64	Energy	2.64
		Comm Svcs	9.29
		<b>Sensitive</b>	<b>43.18</b>
		Technology	20.35
		Industrials	10.90

# Principal LifeTime Hybrid 2020 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

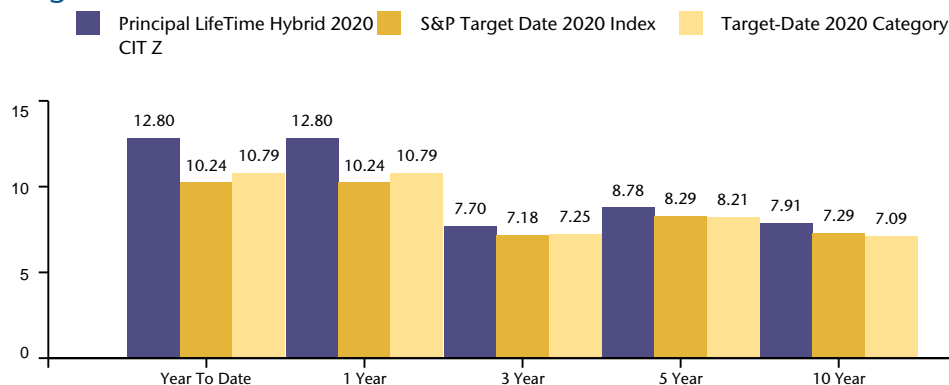
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		12.80	12.80	7.70	8.78	7.91
S&P Target Date 2020 Index %		10.24	10.24	7.18	8.29	7.29
Target-Date 2020 Category %		10.79	10.79	7.25	8.21	7.09
Morningsstar Percentile Rankings		-	26	48	43	16
# of Funds in Category		178	178	157	118	72
Annual Returns		2020	2019	2018	2017	2016
Total Return %		12.80	17.36	-5.64	13.72	7.23
S&P Target Date 2020 Index %		10.24	16.52	-4.16	12.80	7.22
Target-Date 2020 Category %		10.79	16.14	-4.49	12.46	6.23
Morningsstar Percentile Rankings		26	34	90	25	21
# of Funds in Category		178	233	250	234	221

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2020

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2020 Index

	3Yr	5Yr
Alpha	0.17	0.08
Beta	1.06	1.06
R-Squared	99.38	99.32
Standard Deviation	10.08	8.29
Mean	7.70	8.78
Sharpe Ratio	0.63	0.92
Excess Return	0.51	0.48
Tracking Error	1.00	0.82
Information Ratio	0.52	0.60

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$5,233.04



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Short-Term Income Inst Fund	4.01	2.89	2.45	-	0.43	0.43	N/A 02/28/2021	07/25/1996*
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	43.42	0.00	43.42
	U.S. Stocks	32.74	0.00	32.74
	Non-U.S. Stocks	13.21	0.00	13.21
	Other	3.64	0.06	3.70
	Non-U.S. Bonds	3.54	0.33	3.87
	Cash	2.36	0.76	3.12
	Convertibles	0.40	0.00	0.40

## Top ten holdings

	% of net assets
1. Principal Bond Market Index SP	30.45
2. Principal LargeCap S&P 500 Idx SP	28.36
3. Principal Diversified International R-6	10.93
4. Principal Short-Term Income Inst	9.89
5. Principal High Income Inst	4.67
6. Principal Inflation Protection Inst	3.81
7. PGI CIT International Strategic Eq 0 bp	3.33
8. Principal SmallCap S&P 600 Idx SP	2.41
9. Principal MidCap S&P 400 Index SP	2.26
10. Principal International SmallCap SP	2.19
% of net assets in top ten holdings	98.32

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	11
AvgMktCap (mil)	\$71,162.49
Turnover Ratio	24%
AvgEffDur (Yrs)	5.22
P/C Ratio	12.64
P/B Ratio	2.74
P/E Ratio	19.97

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.34</b>	<b>Defensive</b>	<b>23.48</b>
Consumer Cyclical	12.11	Healthcare	12.72
Basic Materials	4.28	Consumer Defensive	7.32
Financial Svcs	13.38	Utilities	3.44
Real Estate	3.57	Technology	20.34
		Industrials	10.92
		Energy	2.61
		Comm Svcs	9.29

# Principal LifeTime Hybrid 2025 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

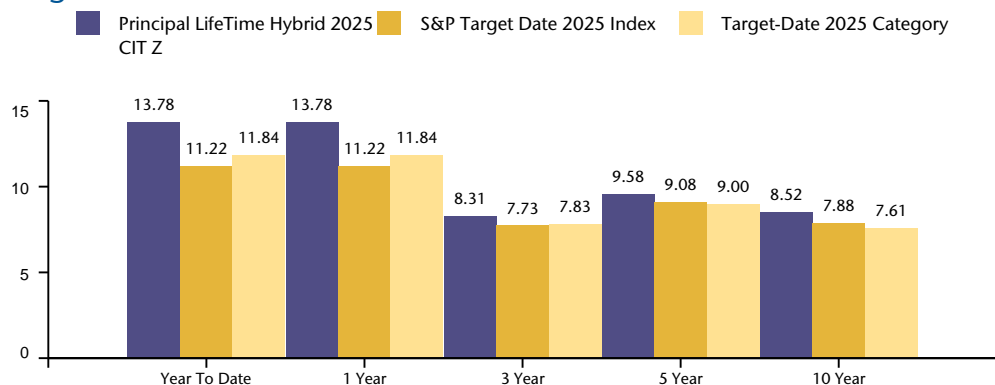
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		13.78	13.78	8.31	9.58	8.52
S&P Target Date 2025 Index %		11.22	11.22	7.73	9.08	7.88
Target-Date 2025 Category %		11.84	11.84	7.83	9.00	7.61
Morningsstar Percentile Rankings		-	22	44	36	15
# of Funds in Category		214	214	187	151	87
Annual Returns		2020	2019	2018	2017	2016
Total Return %		13.78	19.15	-6.28	15.35	7.81
S&P Target Date 2025 Index %		11.22	18.38	-5.02	14.55	7.82
Target-Date 2025 Category %		11.84	18.25	-5.34	14.67	6.73
Morningsstar Percentile Rankings		22	34	83	37	14
# of Funds in Category		214	232	226	208	195

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2025

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2025 Index

	3Yr	5Yr
Alpha	0.35	0.22
Beta	1.04	1.03
R-Squared	99.45	99.41
Standard Deviation	11.64	9.54
Mean	8.31	9.58
Sharpe Ratio	0.61	0.88
Excess Return	0.58	0.49
Tracking Error	0.96	0.80
Information Ratio	0.60	0.62

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$6,343.93



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*



## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Short-Term Income Inst Fund	4.01	2.89	2.45	-	0.43	0.43	N/A 02/28/2021	07/25/1996*
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	38.78	0.00	38.78
	U.S. Bonds	35.78	0.00	35.78
	Non-U.S. Stocks	15.31	0.00	15.31
	Other	4.37	0.06	4.43
	Non-U.S. Bonds	2.89	0.32	3.21
	Cash	2.03	0.56	2.59
	Convertibles	0.33	0.00	0.33

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	33.34
2. Principal Bond Market Index SP	27.46
3. Principal Diversified International R-6	12.71
4. Principal Short-Term Income Inst	5.47
5. Principal High Income Inst	4.05
6. PGI CIT International Strategic Eq 0 bp	4.02
7. Principal MidCap S&P 400 Index SP	3.04
8. Principal Inflation Protection Inst	2.82
9. Principal SmallCap S&P 600 Idx SP	2.81
10. Principal International SmallCap SP	2.53
% of net assets in top ten holdings	98.24

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	11
AvgMktCap (mil)	\$70,464.38
Turnover Ratio	18%
AvgEffDur (Yrs)	5.46
P/C Ratio	12.66
P/B Ratio	2.74
P/E Ratio	19.97

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.37</b>	<b>Defensive</b>	<b>23.46</b>
Consumer Cyclical	12.13	Healthcare	12.74
Basic Materials	4.25	Consumer Defensive	7.31
Financial Svcs	13.41	Utilities	3.41
Real Estate	3.58	Technology	20.37
		Industrials	10.96
		Energy	2.59
		Comm Svcs	9.26

# Principal LifeTime Hybrid 2030 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

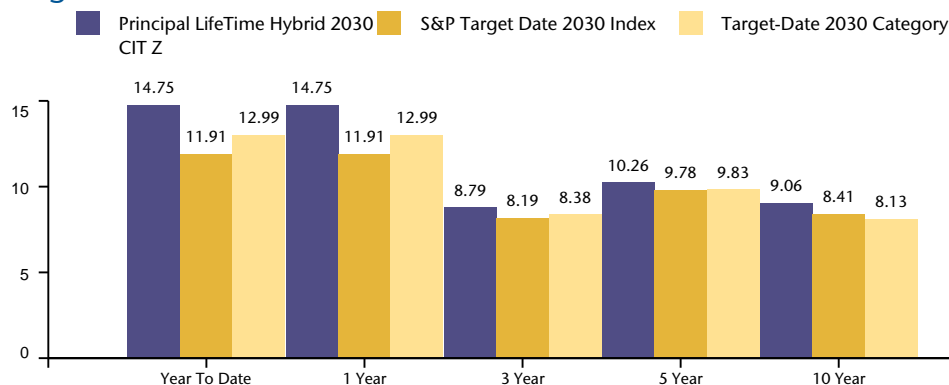
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		14.75	14.75	8.79	10.26	9.06
S&P Target Date 2030 Index %		11.91	11.91	8.19	9.78	8.41
Target-Date 2030 Category %		12.99	12.99	8.38	9.83	8.13
Morningsstar Percentile Rankings		-	22	44	39	18
# of Funds in Category		224	224	197	158	89
Annual Returns		2020	2019	2018	2017	2016
Total Return %		14.75	20.86	-7.15	16.90	8.25
S&P Target Date 2030 Index %		11.91	20.38	-5.99	16.19	8.35
Target-Date 2030 Category %		12.99	20.07	-6.25	16.57	7.33
Morningsstar Percentile Rankings		22	41	79	53	20
# of Funds in Category		224	241	239	234	221

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2030

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2030 Index

	3Yr	5Yr
Alpha	0.53	0.40
Beta	1.00	1.01
R-Squared	99.46	99.42
Standard Deviation	13.11	10.72
Mean	8.79	10.26
Sharpe Ratio	0.59	0.86
Excess Return	0.59	0.48
Tracking Error	0.97	0.83
Information Ratio	0.61	0.58

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$9,159.93



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal Inflation Protection Inst Fund	10.59	4.70	3.43	2.29	0.39	0.39	N/A N/A	12/29/2004
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Diversified Real Asset CIT-Gross	4.52	5.81	-	2.97	-	-	N/A N/A	05/30/2013

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	44.09	0.00	44.09
	U.S. Bonds	28.72	0.00	28.72
	Non-U.S. Stocks	17.59	0.00	17.59
	Other	5.03	0.06	5.09
	Non-U.S. Bonds	2.31	0.31	2.62
	Cash	1.63	0.40	2.03
	Convertibles	0.26	0.00	0.26

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	37.66
2. Principal Bond Market Index SP	25.56
3. Principal Diversified International R-6	14.56
4. PGI CIT International Strategic Eq 0 bp	4.67
5. Principal High Income Inst	3.74
6. Principal MidCap S&P 400 Index SP	3.65
7. Principal SmallCap S&P 600 Idx SP	3.27
8. Principal International SmallCap SP	3.02
9. Principal Inflation Protection Inst	2.11
10. Principal Diversified Real Asset Tier 3	1.75
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$69,055.37
Turnover Ratio	13%
AvgEffDur (Yrs)	5.95
P/C Ratio	12.64
P/B Ratio	2.73
P/E Ratio	19.94

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>33.44</b>	<b>Defensive</b>	<b>23.41</b>
Consumer Cyclical	12.16	Healthcare	12.75
Basic Materials	4.25	Consumer Defensive	7.30
Financial Svcs	13.44	Utilities	3.36
Real Estate	3.59	Technology	20.34
		Industrials	11.02
		Energy	2.57
		Comm Svcs	9.23
		<b>Sensitive</b>	<b>43.16</b>



# Principal LifeTime Hybrid 2035 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

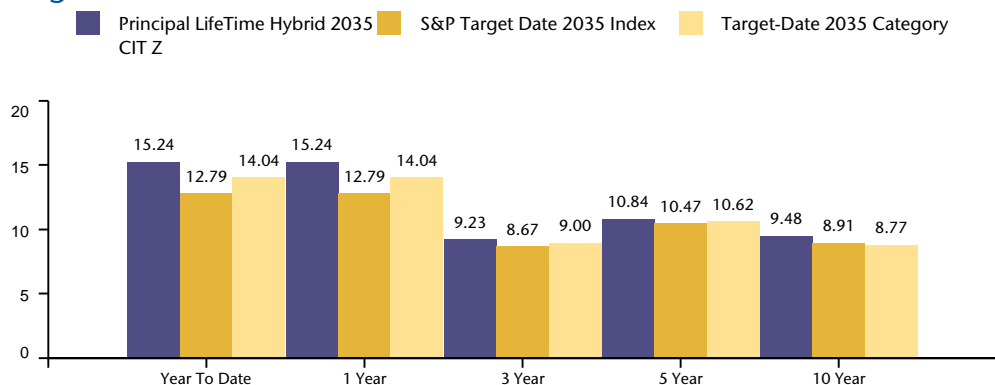
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		15.24	15.24	9.23	10.84	9.48
S&P Target Date 2035 Index %		12.79	12.79	8.67	10.47	8.91
Target-Date 2035 Category %		14.04	14.04	9.00	10.62	8.77
Mornings tar Percentile R rankings		-	36	48	43	20
# of Funds in Category		207	207	184	148	84
Annual Returns		2020	2019	2018	2017	2016
Total Return %		15.24	22.63	-7.79	18.14	8.65
S&P Target Date 2035 Index %		12.79	22.18	-6.88	17.78	8.85
Target-Date 2035 Category %		14.04	22.04	-7.04	18.43	7.57
Mornings tar Percentile R rankings		36	36	75	63	19
# of Funds in Category		207	229	221	208	195

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2035

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2035 Index

	3Yr	5Yr
Alpha	0.67	0.51
Beta	0.98	0.98
R-Squared	99.40	99.35
Standard Deviation	14.48	11.81
Mean	9.23	10.84
Sharpe Ratio	0.58	0.83
Excess Return	0.56	0.36
Tracking Error	1.18	0.99
Information Ratio	0.48	0.38

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$5,686.97



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	50.05	0.00	50.05
	U.S. Bonds	21.23	0.04	21.27
	Non-U.S. Stocks	19.74	0.00	19.74
	Other	5.18	0.00	5.18
	Non-U.S. Bonds	2.00	0.00	2.00
	Cash	1.58	0.05	1.62
	Convertibles	0.21	0.00	0.21

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	41.25
2. Principal Bond Market Index SP	20.47
3. Principal Diversified International R-6	15.50
4. PGI CIT International Strategic Eq 0 bp	5.01
5. Principal MidCap S&P 400 Index SP	4.12
6. Principal SmallCap S&P 600 Idx SP	3.56
7. Principal High Income Inst	3.38
8. Principal International SmallCap SP	3.26
9. Principal Real Estate Securities Fd R-6	2.05
10. Principal Origin Emerging Markets R6	1.40
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$66,925.68
Turnover Ratio	7%
AvgEffDur (Yrs)	5.85
P/C Ratio	12.74
P/B Ratio	2.73
P/E Ratio	20.20

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.37</b>	<b>Defensive</b>	<b>22.39</b>	<b>Sensitive</b>	<b>42.24</b>
Consumer Cyclical	12.02	Healthcare	12.36	Technology	20.18
Basic Materials	4.02	Consumer Defensive	7.08	Industrials	10.54
Financial Svcs	13.14	Utilities	2.95	Energy	2.33
Real Estate	6.19			Comm Svcs	9.19

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

# Principal LifeTime Hybrid 2040 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

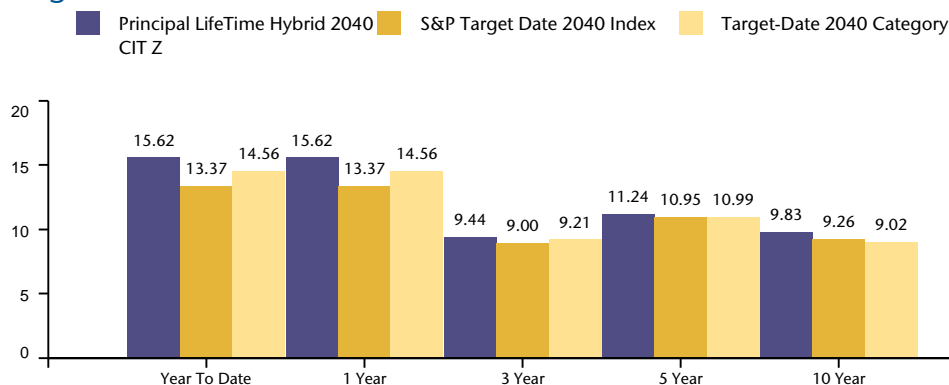
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		15.62	15.62	9.44	11.24	9.83
S&P Target Date 2040 Index %		13.37	13.37	9.00	10.95	9.26
Target-Date 2040 Category %		14.56	14.56	9.21	10.99	9.02
Morningsstar Percentile Rankings		-	38	51	44	21
# of Funds in Category		218	218	197	158	89
Annual Returns		2020	2019	2018	2017	2016
Total Return %		15.62	23.85	-8.45	19.19	9.03
S&P Target Date 2040 Index %		13.37	23.37	-7.41	18.87	9.23
Target-Date 2040 Category %		14.56	23.19	-7.74	19.52	7.95
Morningsstar Percentile Rankings		38	44	72	63	19
# of Funds in Category		218	241	239	234	221

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2040

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2040 Index

	3Yr	5Yr
Alpha	0.58	0.47
Beta	0.97	0.98
R-Squared	99.40	99.34
Standard Deviation	15.56	12.69
Mean	9.44	11.24
Sharpe Ratio	0.56	0.81
Excess Return	0.44	0.29
Tracking Error	1.29	1.08
Information Ratio	0.35	0.27

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$6,798.36



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	53.91	0.00	53.91
	Non-U.S. Stocks	21.44	0.00	21.44
	U.S. Bonds	15.78	0.03	15.81
	Other	5.64	0.00	5.64
	Cash	1.58	0.04	1.61
	Non-U.S. Bonds	1.50	0.00	1.50
	Convertibles	0.16	0.00	0.16

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	44.68
2. Principal Diversified International R-6	16.76
3. Principal Bond Market Index SP	15.00
4. PGI CIT International Strategic Eq 0 bp	5.45
5. Principal MidCap S&P 400 Index SP	4.36
6. Principal SmallCap S&P 600 Idx SP	3.85
7. Principal International SmallCap SP	3.38
8. Principal High Income Inst	2.73
9. Principal Real Estate Securities Fd R-6	2.02
10. Principal Origin Emerging Markets R6	1.76
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$67,664.90
Turnover Ratio	5%
AvgEffDur (Yrs)	5.83
P/C Ratio	12.72
P/B Ratio	2.74
P/E Ratio	20.16

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.19</b>	<b>Defensive</b>	<b>22.42</b>	<b>Sensitive</b>	<b>42.39</b>
Consumer Cyclical	12.07	Healthcare	12.37	Technology	20.29
Basic Materials	4.03	Consumer Defensive	7.10	Industrials	10.52
Financial Svcs	13.17	Utilities	2.95	Energy	2.33
Real Estate	5.92			Comm Svcs	9.25

# Principal LifeTime Hybrid 2045 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

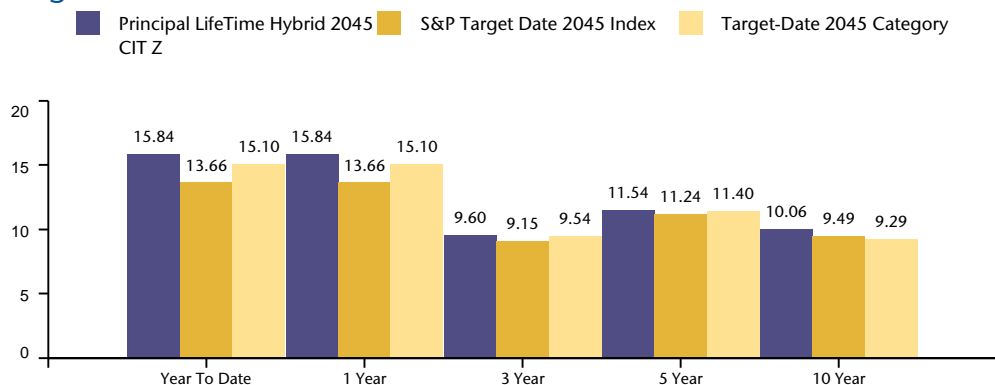
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		15.84	15.84	9.60	11.54	10.06
S&P Target Date 2045 Index %		13.66	13.66	9.15	11.24	9.49
Target-Date 2045 Category %		15.10	15.10	9.54	11.40	9.29
Morningsstar Percentile Rankings		-	45	52	48	18
# of Funds in Category		207	207	184	148	83
Annual Returns		2020	2019	2018	2017	2016
Total Return %		15.84	24.80	-8.93	20.02	9.27
S&P Target Date 2045 Index %		13.66	24.02	-7.74	19.56	9.54
Target-Date 2045 Category %		15.10	24.35	-8.14	20.51	7.93
Morningsstar Percentile Rankings		45	47	76	70	18
# of Funds in Category		207	229	221	208	195

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2045

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2045 Index

	3Yr	5Yr
Alpha	0.49	0.35
Beta	0.99	0.99
R-Squared	99.44	99.39
Standard Deviation	16.47	13.42
Mean	9.60	11.54
Sharpe Ratio	0.55	0.79
Excess Return	0.45	0.30
Tracking Error	1.26	1.06
Information Ratio	0.35	0.28

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$4,079.44



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*



## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	57.10	0.00	57.10
	Non-U.S. Stocks	22.64	0.00	22.64
	U.S. Bonds	11.48	0.02	11.51
	Other	5.99	0.00	5.99
	Cash	1.57	0.03	1.61
	Non-U.S. Bonds	1.10	0.00	1.10
	Convertibles	0.11	0.00	0.11

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	47.17
2. Principal Diversified International R-6	17.76
3. Principal Bond Market Index SP	10.66
4. PGI CIT International Strategic Eq 0 bp	5.79
5. Principal MidCap S&P 400 Index SP	4.88
6. Principal SmallCap S&P 600 Idx SP	4.10
7. Principal International SmallCap SP	3.42
8. Principal High Income Inst	2.27
9. Principal Real Estate Securities Fd R-6	2.01
10. Principal Origin Emerging Markets R6	1.95
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$67,460.80
Turnover Ratio	5%
AvgEffDur (Yrs)	5.78
P/C Ratio	12.71
P/B Ratio	2.74
P/E Ratio	20.14

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.12</b>	<b>Defensive</b>	<b>22.44</b>	<b>Sensitive</b>	<b>42.44</b>
Consumer Cyclical	12.10	Healthcare	12.38	Technology	20.33
Basic Materials	4.04	Consumer Defensive	7.10	Industrials	10.53
Financial Svcs	13.20	Utilities	2.96	Energy	2.33
Real Estate	5.78			Comm Svcs	9.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

# Principal LifeTime Hybrid 2050 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

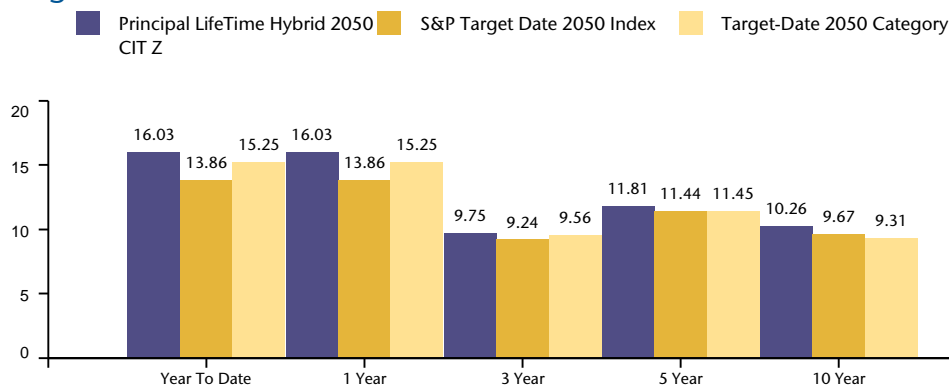
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		16.03	16.03	9.75	11.81	10.26
S&P Target Date 2050 Index %		13.86	13.86	9.24	11.44	9.67
Target-Date 2050 Category %		15.25	15.25	9.56	11.45	9.31
Morningsstar Percentile R rankings		-	43	50	42	15
# of Funds in Category		217	217	196	157	78
Annual Returns		2020	2019	2018	2017	2016
Total Return %		16.03	25.57	-9.27	20.69	9.52
S&P Target Date 2050 Index %		13.86	24.35	-7.94	20.18	9.74
Target-Date 2050 Category %		15.25	24.54	-8.41	20.67	8.22
Morningsstar Percentile R rankings		43	31	76	54	17
# of Funds in Category		217	241	239	230	213

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2050

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2050 Index

	3Yr	5Yr
Alpha	0.44	0.27
Beta	1.01	1.01
R-Squared	99.47	99.43
Standard Deviation	17.16	13.98
Mean	9.75	11.81
Sharpe Ratio	0.54	0.79
Excess Return	0.51	0.36
Tracking Error	1.26	1.06
Information Ratio	0.41	0.35

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$4,475.79



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	59.59	0.00	59.59
	Non-U.S. Stocks	23.67	0.00	23.67
	U.S. Bonds	8.02	0.02	8.04
	Other	6.29	0.00	6.29
	Cash	1.57	0.02	1.59
	Non-U.S. Bonds	0.77	0.00	0.77
	Convertibles	0.08	0.00	0.08

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	49.31
2. Principal Diversified International R-6	18.60
3. Principal Bond Market Index SP	7.31
4. PGI CIT International Strategic Eq 0 bp	6.07
5. Principal MidCap S&P 400 Index SP	5.12
6. Principal SmallCap S&P 600 Idx SP	4.28
7. Principal International SmallCap SP	3.61
8. Principal Real Estate Securities Fd R-6	1.99
9. Principal Origin Emerging Markets R6	1.97
10. Principal High Income Inst	1.72
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$67,505.94
Turnover Ratio	4%
AvgEffDur (Yrs)	5.75
P/C Ratio	12.71
P/B Ratio	2.74
P/E Ratio	20.12

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.02</b>	<b>Defensive</b>	<b>22.47</b>	<b>Sensitive</b>	<b>42.50</b>
Consumer Cyclical	12.11	Healthcare	12.40	Technology	20.35
Basic Materials	4.04	Consumer Defensive	7.11	Industrials	10.56
Financial Svcs	13.22	Utilities	2.96	Energy	2.34
Real Estate	5.65			Comm Svcs	9.25



# Principal LifeTime Hybrid 2055 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

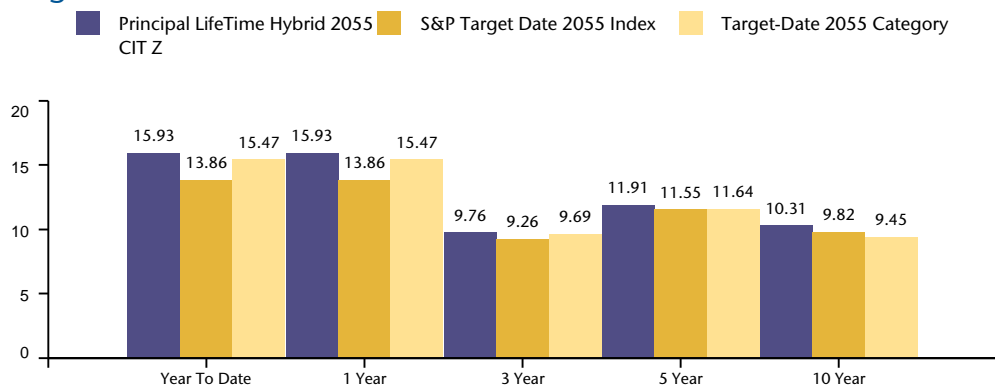
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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	10 Year
Total Return %		15.93	15.93	9.76	11.91	10.31
S&P Target Date 2055 Index %		13.86	13.86	9.26	11.55	9.82
Target-Date 2055 Category %		15.47	15.47	9.69	11.64	9.45
Morningstar Percentile Rankings		-	47	51	41	15
# of Funds in Category		207	207	184	145	44
Annual Returns		2020	2019	2018	2017	2016
Total Return %		15.93	26.24	-9.65	21.06	9.66
S&P Target Date 2055 Index %		13.86	24.48	-7.97	20.48	9.94
Target-Date 2055 Category %		15.47	24.91	-8.44	21.08	8.00
Morningstar Percentile Rankings		47	15	83	57	13
# of Funds in Category		207	229	221	206	193

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2055

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2055 Index

	3Yr	5Yr
Alpha	0.32	0.10
Beta	1.03	1.03
R-Squared	99.48	99.45
Standard Deviation	17.67	14.38
Mean	9.76	11.91
Sharpe Ratio	0.53	0.77
Excess Return	0.49	0.35
Tracking Error	1.36	1.13
Information Ratio	0.37	0.32

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$2,063.61



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	61.32	0.00	61.32
	Non-U.S. Stocks	24.42	0.00	24.42
	Other	6.49	0.00	6.49
	U.S. Bonds	5.59	0.02	5.61
	Cash	1.57	0.02	1.59
	Non-U.S. Bonds	0.55	0.00	0.55
	Convertibles	0.06	0.00	0.06

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	50.42
2. Principal Diversified International R-6	19.09
3. PGI CIT International Strategic Eq 0 bp	6.27
4. Principal MidCap S&P 400 Index SP	5.62
5. Principal Bond Market Index SP	4.70
6. Principal SmallCap S&P 600 Idx SP	4.42
7. Principal International SmallCap SP	3.75
8. Principal Origin Emerging Markets R6	2.11
9. Principal Real Estate Securities Fd R-6	2.00
10. Principal High Income Inst	1.62
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$66,530.81
Turnover Ratio	4%
AvgEffDur (Yrs)	5.62
P/C Ratio	12.69
P/B Ratio	2.74
P/E Ratio	20.09

## Stock Sector Breakdown

	% of net assets		% of net assets
<b>Cyclical</b>	<b>35.04</b>	<b>Defensive</b>	<b>22.45</b>
Consumer Cyclical	12.13	Healthcare	12.39
Basic Materials	4.06	Consumer Defensive	7.10
Financial Svcs	13.23	Utilities	2.96
Real Estate	5.62	Technology	20.33
		Industrials	10.60
		Energy	2.34
		Comm Svcs	9.23

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

# Principal LifeTime Hybrid 2060 CIT Z as of 12/31/2020

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

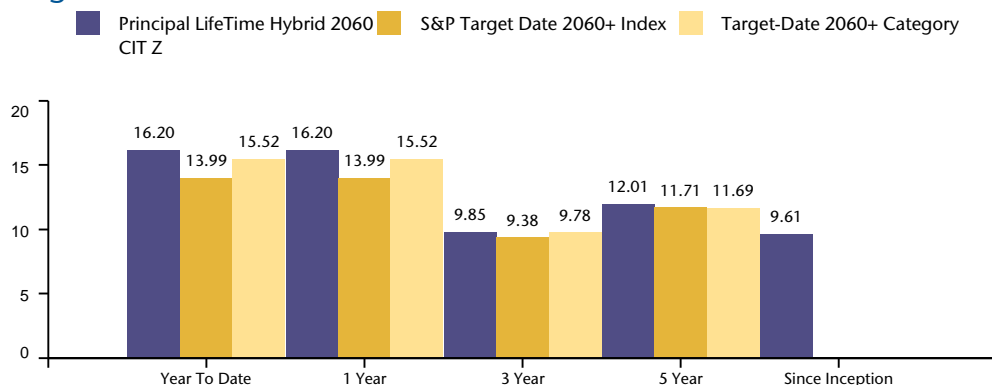
### Portfolio managers

**James W. Fennessey**, CFA. Since 01/02/2014. B.S., Truman State University

**Randy L. Welch** Since 01/02/2014. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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 %		16.20	16.20	9.85	12.01	9.61
S&P Target Date 2060+ Index %		13.99	13.99	9.38	11.71	-
Target-Date 2060+ Category %		15.52	15.52	9.78	11.69	-
Morningsstar Percentile R rankings		-	43	55	49	-
# of Funds in Category		257	257	181	93	-
Annual Returns		2020	2019	2018	2017	2016
Total Return %		16.20	26.53	-9.83	21.32	9.65
S&P Target Date 2060+ Index %		13.99	24.73	-7.95	20.75	10.08
Target-Date 2060+ Category %		15.52	25.15	-8.52	21.27	7.81
Morningsstar Percentile R rankings		43	15	84	56	13
# of Funds in Category		257	216	201	160	106

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2060+

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2060+ Index

	3Yr	5Yr
Alpha	0.21	-0.05
Beta	1.04	1.04
R-Squared	99.54	99.48
Standard Deviation	17.97	14.60
Mean	9.85	12.01
Sharpe Ratio	0.53	0.77
Excess Return	0.47	0.30
Tracking Error	1.41	1.17
Information Ratio	0.33	0.25

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	01/01/2014
Total Net Assets (mil)	\$942.79



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	62.28	0.00	62.28
	Non-U.S. Stocks	24.98	0.00	24.98
	Other	6.64	0.00	6.64
	U.S. Bonds	4.08	0.01	4.10
	Cash	1.56	0.02	1.58
	Non-U.S. Bonds	0.41	0.00	0.41
	Convertibles	0.04	0.00	0.04

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	50.43
2. Principal Diversified International R-6	19.49
3. Principal MidCap S&P 400 Index SP	6.42
4. PGI CIT International Strategic Eq 0 bp	6.41
5. Principal SmallCap S&P 600 Idx SP	4.56
6. Principal International SmallCap SP	3.75
7. Principal Bond Market Index SP	3.26
8. Principal Origin Emerging Markets R6	2.30
9. Principal Real Estate Securities Fd R-6	2.02
10. Principal High Income Inst	1.36
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$64,611.70
Turnover Ratio	6%
AvgEffDur (Yrs)	5.55
P/C Ratio	12.66
P/B Ratio	2.72
P/E Ratio	20.05

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.17</b>	<b>Defensive</b>	<b>22.40</b>	<b>Sensitive</b>	<b>42.43</b>
Consumer Cyclical	12.17	Healthcare	12.36	Technology	20.28
Basic Materials	4.09	Consumer Defensive	7.08	Industrials	10.66
Financial Svcs	13.25	Utilities	2.96	Energy	2.33
Real Estate	5.66			Comm Svcs	9.16

# Principal LifeTime Hybrid 2065 CIT Z as of 12/31/2020

## Investment Strategy

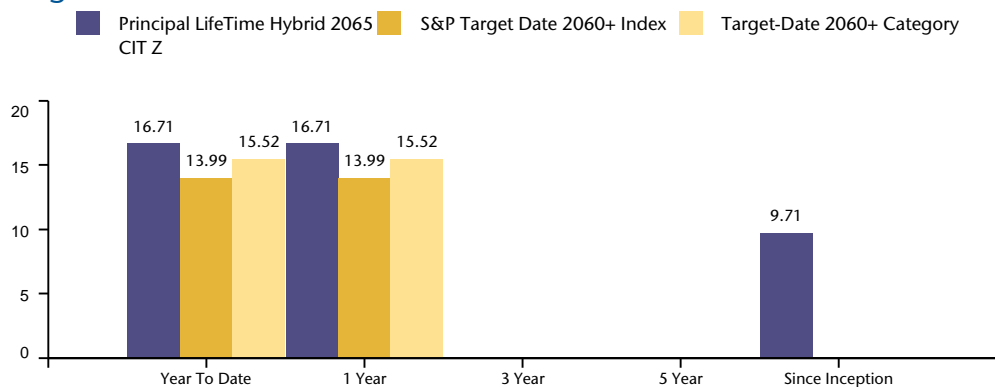
The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

### Portfolio managers

**Scott W. Smith** Since 01/02/2018. B.S., Iowa State University  
**James W. Fennessey, CFA** Since 01/02/2018. B.S., Truman State University  
**Randy L. Welch** Since 01/02/2018. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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 collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee 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 %	16.71	16.71	-	-	9.71
S&P Target Date 2060+ Index %	13.99	13.99	9.38	11.71	-
Target-Date 2060+ Category %	15.52	15.52	9.78	11.69	-
Morningstar Percentile Rankings	-	33	-	-	-
# of Funds in Category	257	257	181	93	-
Annual Returns	2020	2019	2018	2017	2016
Total Return %	16.71	26.79	-	-	-
S&P Target Date 2060+ Index %	13.99	24.73	-7.95	20.75	10.08
Target-Date 2060+ Category %	15.52	25.15	-8.52	21.27	7.81
Morningstar Percentile Rankings	33	9	-	-	-
# of Funds in Category	257	216	201	160	106

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Target-Date 2060+

## Risk and Return Statistics

as of 12/31/2020 Relative to S&P Target Date 2060+ Index

	3Yr	5Yr
Alpha	-	-
Beta	-	-
R-Squared	-	-
Standard Deviation	-	-
Mean	-	-
Sharpe Ratio	-	-
Excess Return	-	-
Tracking Error	-	-
Information Ratio	-	-

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	01/01/2018
Total Net Assets (mil)	\$144.01



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

Not FDIC or NCUA insured

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

*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 re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*



## Average Annual Total Returns of Underlying Options as of 12/31/2020

Investment Option	1 Year	5 Year	10 Year	Since Inception	Total Investment Expense Gross	Total Investment Expense Net	Waiver/Cap Expiration Date	Inception Date
Principal International SmallCap Separate Account-Gross	7.10	9.11	8.59	11.83	0.03	0.03	N/A N/A	01/01/1995
Principal Bond Market Index Separate Account-Gross	7.54	4.37	3.69	3.88	0.01	0.01	N/A N/A	12/30/2009
Principal Diversified International Inst Fund	17.31	9.00	6.36	5.23	0.84	0.84	N/A 02/28/2021	03/01/2001*
Principal SmallCap S&P 600 Index Separate Account-Gross	11.40	12.39	11.90	10.22	-	-	N/A N/A	08/31/1999
Principal MidCap S&P 400 Index Separate Account-Gross	13.60	12.31	11.47	10.03	-	-	N/A N/A	08/31/1999
Principal LargeCap S&P 500 Index Separate Account-Gross	18.42	15.21	13.87	10.21	-	-	N/A N/A	01/01/1990
PGI CIT International Strategic Equity Fund	-	-	-	55.87	-	-	N/A N/A	08/13/2020
Principal High Income Inst Fund	5.42	6.68	5.52	6.65	0.63	0.61	02/28/2022 N/A	12/29/2004
Principal Origin Emerging Markets R6 Fund	18.65	12.17	-	6.52	1.07	1.07	N/A 12/30/2021	01/23/2015
Principal Real Estate Securities R6 Fund	-3.12	6.96	9.62	10.58	0.81	0.81	N/A 02/28/2021	11/22/2016*

\* 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. Please see the funds' prospectuses for more information on specific expenses, and the funds' 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.

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	62.64	0.00	62.64
	Non-U.S. Stocks	25.46	0.00	25.46
	Other	6.67	0.00	6.67
	U.S. Bonds	3.33	0.01	3.34
	Cash	1.54	0.01	1.55
	Non-U.S. Bonds	0.33	0.00	0.33
	Convertibles	0.03	0.00	0.03

## Top ten holdings

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	48.99
2. Principal Diversified International R-6	19.92
3. Principal MidCap S&P 400 Index SP	7.87
4. PGI CIT International Strategic Eq 0 bp	6.45
5. Principal SmallCap S&P 600 Idx SP	4.78
6. Principal International SmallCap SP	3.73
7. Principal Bond Market Index SP	2.86
8. Principal Origin Emerging Markets R6	2.39
9. Principal Real Estate Securities Fd R-6	2.11
10. Principal High Income Inst	0.91
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$60,495.29
Turnover Ratio	50%
AvgEffDur (Yrs)	5.65
P/C Ratio	12.60
P/B Ratio	2.70
P/E Ratio	19.99

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>35.49</b>	<b>Defensive</b>	<b>22.27</b>	<b>Sensitive</b>	<b>42.24</b>
Consumer Cyclical	12.22	Healthcare	12.29	Technology	20.11
Basic Materials	4.15	Consumer Defensive	7.03	Industrials	10.81
Financial Svcs	13.29	Utilities	2.95	Energy	2.33
Real Estate	5.83			Comm Svcs	8.99

# Principal Stable Value Fund

## Z Class

DECEMBER 31, 2020

### Fund Profile

Assets	\$5,754,752,028
Crediting Rate <sup>1</sup>	1.85%
Avg. Duration <sup>2</sup>	2.90 years
Market/Book Value Ratio <sup>3</sup>	103.83%
Turnover Ratio (updated annually) <sup>4</sup>	20.08%
Inception Date	January 1997

### Fund Composition

Cash	5.28%
GIC	3.75%
Separate Account Contracts	28.43%
Synthetic Investment Contracts	62.54%

### Trustee/Adviser Fee<sup>11</sup>

8 basis points

### Investment Contract Issuers

Prudential Ins Co of America	17.38%
Metropolitan Life Ins Co	15.59%
Transamerica Life Ins Co	10.11%
RGA Reinsurance Co	9.10%
American General Life Ins Co	9.04%
Pacific Life Insurance Co	8.86%
State Street Bank	8.74%
Massachusetts Mutual Life Ins Co	8.46%
New York Life Ins Co	7.43%

### Duration Distribution

0-1 Yr	15.41%
1-2 Yrs	16.99%
2-3 Yrs	28.38%
3-4 Yrs	15.53%
4-5 Yrs	12.87%
5+ Yrs	10.83%

### Fund Structure

The Principal Stable Value Fund (Fund) is a Collective Investment Trust (CIT) maintained by Principal Global Investors Trust Company (the Trust Company). The Trust Company has retained Morley Capital Management (Morley), a specialized investment boutique of Principal Global Investors, LLC, (the Adviser), to serve as investment manager with respect to the Fund, subject to the Trust Company's supervision and review. The Adviser is an indirect wholly owned subsidiary of Principal Financial Group® and is under common control with the Trust Company.

### About the Investment Manager

Morley was founded in 1982 and began managing its first discretionary stable value account in February 1984. Morley has focused almost exclusively on managing stable value assets for our institutional client base since our inception.

### Contact Information

For additional information on enrolling in the Fund, to obtain the Principal Stable Value Fund Disclosure document or to obtain additional information, please contact the Human Resources Department of the participating plan, or the participating plan's recordkeeper.

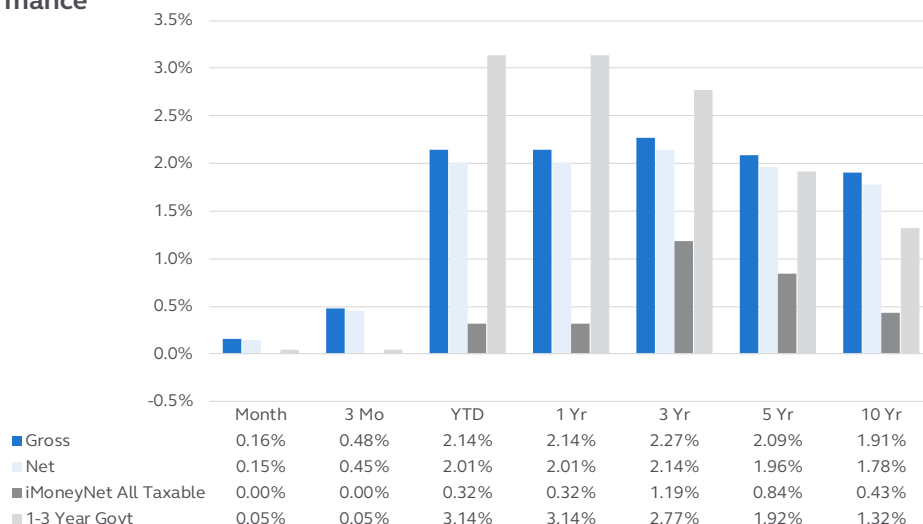
### Fund Description

The Fund primarily consists of a diversified portfolio of Stable Value Investment Contracts (Investment Contracts) issued by life insurance companies, banks and other financial institutions, the performance of which may be predicated on underlying fixed income investments. The principal value of these assets is designed to remain stable regardless of stock and bond market fluctuations. The Fund is typically appropriate for investors who desire low volatility, stable principal value, and returns commensurate with a capital preservation objective for a component of their retirement savings. The Fund is designed for long-term retirement investing.

### Investment Objective

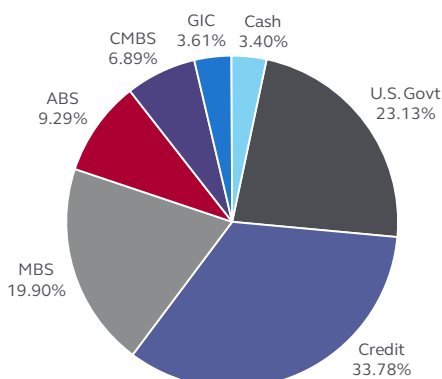
The objective of the Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.

### Performance



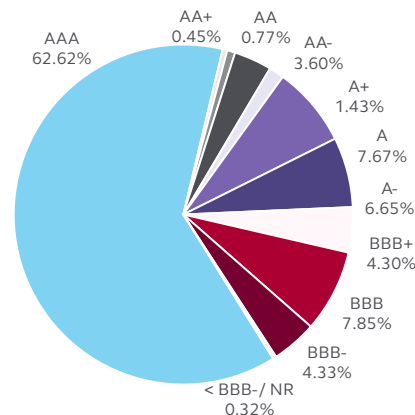
**Past performance is not a guarantee of future results.** Performance returns assume the reinvestment of dividends and other earnings. Returns are calculated based on the net asset value (NAV) of the Fund. Returns for periods less than one year are not annualized. Gross returns are presented net of Fund Level Expenses which include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees and Other Expenses. Net returns are presented net of 0.08% annualized Trustee/Adviser Fee and 0.05% annualized Service Fee. Fees charged by varying share classes including the Service Fee may differ and as a result, investors in other share classes may obtain higher or lower net returns if multiple share classes are available. Performance information for share class options available after the original Fund inception date are based on the performance of the Principal Stable Value Fund, adjusted to reflect estimated fees for the respective share class option. The Fund's inception date is January 1997. Please review page 2 for important information.

### Sector Allocation



ABS = Asset Backed Securities  
MBS = Mortgage Backed Securities  
CMBS = Commercial Mortgage Backed Securities

### Credit Quality



# Principal Stable Value Fund / Z Class

## A Word on Risk <sup>5,6</sup>

While stable value is generally considered a conservative investment option, stable value assets do carry potential risks. The Fund may lose value and may be worth more or less than the original cost when redeemed, and there is no assurance that the Fund's objective will be achieved. Risks include, but are not limited to, 1) Investment Contract risk which includes the risk of maintaining Book Value Accounting standards and the risk that Investment Contract issuers may default on their obligations under the contract; 2) interest rate risk which includes the potential that an increase in market interest rates may decrease the value of fixed income securities (bonds); 3) credit risk which reflects the potential that the issuer of fixed income securities will be unable to make the required payments of interest and/or principal when due. Morley seeks to mitigate Investment Contract and credit risk by investing only in investment grade securities. Our credit research team continually analyzes the credit standing and outlook of investments in the Fund seeking to identify investment options with the best risk/return characteristics consistent with the Fund's investment objective. Please review the Principal Stable Value Fund Disclosure document for additional information regarding Fund structure, investment objective and strategy, risks and expenses and carefully consider such factors before investing.

The Fund is not a deposit, obligation, guaranteed or insured by PGI Trust Co. or any affiliate, is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal or state government agency. Neither the Fund nor the offering of the Units has been registered under the U.S. securities laws. Therefore, investors will not have the benefit of the protections for registered securities afforded by the Securities and Exchange Commission ("SEC").

## Fees and Expenses

Fees and expenses associated with the Fund include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees, and Other Expenses which are collectively referred to as Fund Level Expenses. The Fund also incurs a Trustee/Adviser Fee and may incur a Service Fee if selected by the investing Plan/Trust. The combination of all of these fees represents the Total Fund Operating Expenses for the Fund.

Fund Level Expenses are variable and will fluctuate daily based on factors such as total Fund assets, assets associated with specific Stable Value Investment Contracts or sub-advisers, and the utilization and cost of applicable services. Fund Level Expenses have already been factored into the Fund's gross performance. In contrast the Trustee/Adviser Fee and the Service Fee are generally static and are only altered by direct action from the Trustee or an election by the investing Plan/Trust to amend the Service Fee. The Fund's gross performance is reduced by the applicable Trustee/Adviser Fee and Service Fee to produce the Fund's net performance.

Expense information is updated monthly and may not match expenses provided by applicable recordkeeper.

### Annualized Fees as of December 31, 2020

Stable Value Investment Contract Fees (Wrap Fees) <sup>7</sup>	0.15%
Sub-Adviser Fees <sup>8</sup>	0.04%
Acquired Fund Fees <sup>9</sup>	0.02%
Other Expenses <sup>10</sup>	0.00%
<b>Total Fund Level Expenses</b>	<b>0.21%</b>
Trustee/Adviser Fee <sup>11</sup>	0.08%
Service Fee <sup>12</sup>	0.05%
<b>Total Fund Operating Expenses</b>	<b>0.34%</b>

*Fee information has been rounded to two decimal places. As a result of this rounding, individual fees may not sum to the total fee presented.*

## Additional Information

The Principal Stable Value Fund invests all of its assets in units of the Morley Stable Value Fund. Accordingly, certain statistics including but not limited to, credit quality, duration, sector diversification, fund composition, investment contract issuer, stable value investment contract fees, sub-adviser fees and acquired fund fees represent data associated with the Morley Stable Value Fund.

Data provided is for general informational purposes only is not intended to be used for auditing purposes and may not represent a complete accounting of all holdings within the portfolio. The information should not be considered as investment, legal, accounting, or tax advice or a recommendation of any particular security, strategy, or investment product and it does not take into account the investment objectives, financial situation, or needs of any particular investor. Investors should consider whether the Fund is suitable for their particular circumstances and, if necessary, seek professional advice before investing.

Certain data including sector diversification, credit quality, and duration distribution, has been obtained from each investment manager and has been calculated based upon their internal calculation methodologies. The data is current as of the date listed, and is subject to change without notice. While generally deemed reliable, it has not been verified for accuracy or calculation methodologies and the accuracy of the data cannot be guaranteed.

Morley calculates average portfolio credit quality statistics via the aggregated market value weighted average credit quality of securities within the portfolio including GICs, wrapped securities, and cash equivalents for the assets it directly manages. In the event of split ratings for any single investment (as provided by S&P, Moody's and Fitch), the following shall apply: (a) where only two rating agencies rate the investment, the lower of the two ratings shall apply, or (b) where three ratings agencies rate the investment, the median rating shall apply. Ratings are converted to equivalent S&P reporting styles.

## Definitions

**1. Crediting Rate** – The rate of return credited to the book value of the Fund, expressed as an annual percentage rate and is calculated based on a book value dollar weighted basis gross of the Trustee/Adviser Fee and Service Fee and Other Expenses but net of Wrap Fees, Sub-Adviser Fees, and Acquired Fund Fees. A crediting rate is determined per Investment Contract which may remain fixed for the term of the contract or may be reset at predetermined intervals based upon portfolio characteristics including yields, market value, book value and duration. The data is provided for general informational purposes and the return received may be higher or lower than the crediting rate provided.

**2. Average Duration** – Represents the average dollar weighted effective duration of the underlying securities in the Fund. Duration is a measure of the price sensitivity of a fixed-income security or portfolio to a change in interest rates and is commonly presented in years. The longer the duration the more sensitivity the Fund or security is expected to have to interest rate changes.

**3. Market/Book Value Ratio** – Represents a measurement of the market value of the Fund's underlying securities as compared to the Fund's book value; typically quoted as a percentage. Generally, participant transactions occur at book value even if the market value is above or below the book value.

**4. Turnover Ratio** – A measure of trading activity during the previous 12 months, expressed as a percentage of the average total assets of the Fund. The resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past 12 months. For the purposes of calculating turnover, investments in other pooled products including other collective investment trusts, or separate account contracts, are treated as a single transaction and do not account for the underlying trading activity within these products.

**5. Book Value Accounting** – An accounting methodology associated with Stable Value Funds which allows the Funds to amortize market value gains and losses over time through the Fund's crediting rate thus providing capital preservation.

**6. Stable Value Investment Contracts** – (also known as Investment Contracts or Wrap Contracts) Contracts issued by insurance companies, banks, and other financial institutions that provide book value accounting treatment for the Fund. These contracts are designed to provide capital preservation and permit benefit-responsive transactions at book value. Investment Contracts do not insure the value of the Fund and are not insurance against Fund losses but rather by applying Book Value Accounting standards permit the amortization of gains and losses over time through the crediting rate thus providing capital preservation. Typical examples of these contracts include Guaranteed Investment Contracts (GICs), Bank Investment Contracts (BICs), Synthetic Investment Contracts (SICs), Separate Account Contracts (SACs).

**7. Stable Value Investment Contract Fees** – Fees assessed by the financial institutions issuing the stable value investment contracts (wrap contracts) in which the Fund invests.

**8. Sub-Adviser Fees** – Fees assessed by sub-advisers which provide underlying fixed income management for certain portions of the Fund. Fees associated with services provided by Morley are paid directly by the Trustee and are not Fund Level Expenses.

**9. Acquired Fund Fees** – The Fund invests in other funds which incur their own fees and expenses associated with fund operations. As a result a pro-rata share of the Other Expense of each underlying fund, as provided in its most recent audited financial report, is reported.

**10. Other Expenses** – Represents fees and expenses associated with Fund operations including but not limited to, accounting and valuation services, custody services, legal and auditing services.

**11. Trustee/Adviser Fee** – Paid to the Trustee of the Fund for trustee and investment advisory services. Breakpoints associated with this fee reduce costs based upon total assets of the Fund.

**12. Service Fee** – A fee option that may be selected by the Plan/Trust investing in the Fund. The fee is provided to Principal Life Insurance Company which provides various services to the plan which may include but is not limited to Service Provider functions, plan administrative services, investment management selection, and ongoing investment oversight.

Based upon the structure of various investment options (e.g. collective investment trusts, insurance company separate account contracts, or individually managed accounts), the client may or may not have direct fractional ownership of the underlying securities.

Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index. The iMoneyNet All-Taxable Money Market Fund Index measures the equally weighted returns of the largest taxable money market funds. The Bloomberg Barclays 1-3 Year Govt Bond Index measures the returns of investment grade, dollar denominated bonds publicly issued by the U.S. Govt, with a maturity of over 1, and less than 3 years.

Direct investment in the Fund is limited to Participating Trusts (also known as investing Plan/Trust) that meet certain requirements described in the Declaration of Trust, that enter into a Participation Agreement with the Trustee. The Fund cannot accept investment directly from individuals and is subject to restrictions regarding transfer and withdrawal of assets including potential deferral of withdrawal requests by up to 12 months, as defined in the applicable Declaration of Trust.



# Core Plus Bond Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment option invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and US government and agency-backed securities. Value is added primarily through sector allocation and security selection. The Separate Account may enter into reverse repurchase agreements to attempt to enhance portfolio return and income.

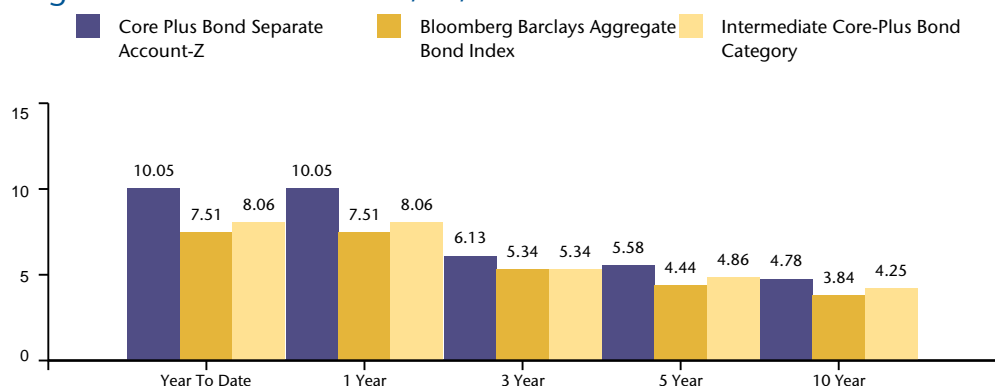


### Portfolio managers

**William C. Armstrong**, CFA. Since 01/01/1997. M.A., University of Iowa

**Randy Woodbury**, CFA. Since 04/30/2020. M.B.A., Iowa State University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	10.05	10.05	6.13	5.58	4.78
Bloomberg Barclays Aggregate Bond Index %	7.51	7.51	5.34	4.44	3.84
Intermediate Core-Plus Bond Category %	8.06	8.06	5.34	4.86	4.25
Morningstar Percentile Rankings	-	16	21	20	20
# of Funds in Category	602	602	543	464	343
Annual Returns	2020	2019	2018	2017	2016
Total Return %	10.05	10.17	-1.41	5.05	4.48
Bloomberg Barclays Aggregate Bond Index %	7.51	8.72	0.01	3.54	2.65
Intermediate Core-Plus Bond Category %	8.06	8.94	-0.61	4.27	3.86
Morningstar Percentile Rankings	16	21	79	19	29
# of Funds in Category	602	613	617	597	561

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Intermediate Core-Plus Bond

## Risk and Return Statistics

as of 12/31/2020 Relative to Bloomberg Barclays Aggregate Bond Index

	3Yr	5Yr
Alpha	0.79	1.22
Beta	1.04	1.00
R-Squared	78.69	80.77
Standard Deviation	3.95	3.48
Mean	6.13	5.58
Sharpe Ratio	1.19	1.27
Tracking Error	1.84	1.53
Information Ratio	0.53	0.82

## Operations

Total Investment Expense Net	0.27%
Total Investment Expense Gross	0.27%
Inception Date	02/01/1983
Total Net Assets (mil)	\$3,454.19



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# Core Plus Bond Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	89.13	0.00	89.13
	Non-U.S. Bonds	12.22	0.00	12.22
	Convertibles	3.07	0.00	3.07
	Preferred	0.12	0.00	0.12
	U.S. Stocks	0.05	0.00	0.05
	Cash	-4.61	11.38	6.77

## Top ten holdings

% of net assets

1. Federal National Mortgage Association 2.5%	3.23
2. Federal National Mortgage Association 3%	2.20
3. United States Treasury Notes 3%	1.97
4. United States Treasury Bills 0%	1.93
5. Government National Mortgage Association 2.5%	1.87
6. United States Treasury Bonds 3%	1.60
7. United States Treasury Notes 0.5%	1.45
8. United States Treasury Notes 1.5%	1.28
9. United States Treasury Bonds 3%	1.21
10. United States Treasury Bonds 3.12%	1.19
% of net assets in top ten holdings*	17.93

## Analysis

# of Stock Hldgs	2
# of Bond Hldgs	1785
# of Other Hldgs	51
Turnover Ratio	109%

## Credit Analysis

As of 11/30/2020

	% Bonds
AAA	46.36
AA	2.07
A	12.11
BBB	26.06
BB	7.90
B	4.52
Below B	0.77
Not Rated	0.21

## Statistics

Avg Eff Duration (Yrs)	6.16
Avg Eff Maturity (Yrs)	0.00
Avg Weighted Price	109.52

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 Core Plus Bond Separate Account-Z.

*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 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.

Bloomberg Barclays Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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 Effective Duration** - A time measure of a bond portfolio's interest-rate sensitivity, based on the weighted average of the time periods over which the cash flows of all of the portfolio's bond holdings accrue to the portfolio. Time periods are weighted by multiplying by the present value of each bond's cash flow divided by that bond's price. (A bond's cash flows consist of coupon payments and repayment of capital.)

# Bond Market Index Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks to provide current income. The fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in debt securities held by the Barclays U. S. Aggregate Bond Index at the time of purchase. The index is composed of investment grade, fixed rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more. It employs a passive investment approach designed to attempt to track the performance of the index.

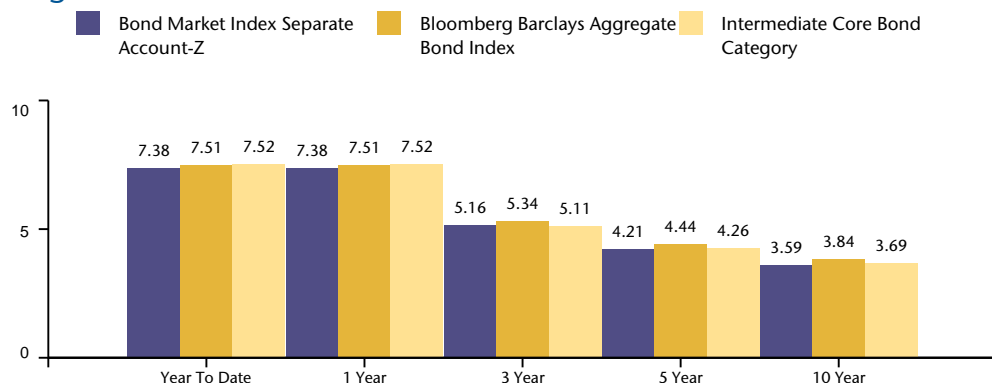


## Portfolio managers

**Darryl Trunell**, CFA. Since 07/01/2019. B.S., Iowa State University

**Jeff Callahan**, CFA. Since 12/18/2020. M.B.A., University of Iowa

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	7.38	7.38	5.16	4.21	3.59
Bloomberg Barclays Aggregate Bond Index %	7.51	7.51	5.34	4.44	3.84
Intermediate Core Bond Category %	7.52	7.52	5.11	4.26	3.69
Morningstar Percentile Rankings	-	61	54	59	64
# of Funds in Category	415	415	380	330	252
Annual Returns	2020	2019	2018	2017	2016
Total Return %	7.38	8.49	-0.19	3.28	2.34
Bloomberg Barclays Aggregate Bond Index %	7.51	8.72	0.01	3.54	2.65
Intermediate Core Bond Category %	7.52	8.06	-0.50	3.71	3.23
Morningstar Percentile Rankings	61	48	37	66	72
# of Funds in Category	415	430	1019	986	985

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Intermediate Core Bond

## Risk and Return Statistics

as of 12/31/2020 Relative to Bloomberg Barclays Aggregate Bond Index

	3Yr	5Yr
Alpha	-0.19	-0.27
Beta	1.00	1.00
R-Squared	99.90	99.92
Standard Deviation	3.39	3.16
Mean	5.16	4.21
Sharpe Ratio	1.05	0.94
Tracking Error	0.11	0.09
Information Ratio	-2.01	-3.11

## Operations

Total Investment Expense Net	0.16%
Total Investment Expense Gross	0.16%
Inception Date	12/30/2009
Total Net Assets (mil)	\$10,869.56



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# Bond Market Index Separate Account-Z as of 12/31/2020

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	89.62	0.00	89.62
	Non-U.S. Bonds	8.12	0.00	8.12
	Cash	1.40	0.00	1.40
	Convertibles	0.87	0.00	0.87
0 25 50 75 100				

## Top ten holdings

% of net assets

1. Federal National Mortgage Association 2.5%	2.29
2. Government National Mortgage Association 2.5%	1.07
3. iShares iBoxx \$ Invmt Grade Corp Bd ETF	1.03
4. Government National Mortgage Association 3%	0.97
5. Federal National Mortgage Association 2%	0.79
6. Federal National Mortgage Association 2%	0.58
7. United States Treasury Notes 2.88%	0.50
8. United States Treasury Notes 1.62%	0.46
9. United States Treasury Notes 2.88%	0.45
10. United States Treasury Notes 1.25%	0.45
% of net assets in top ten holdings*	8.58

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	5553
# of Other Hldgs	79
Turnover Ratio	53%

## Credit Analysis

As of 11/30/2020

## % Bonds

AAA	70.07
AA	2.93
A	12.04
BBB	14.95
BB	0.00
B	0.00
Below B	0.00
Not Rated	0.01

## Statistics

Avg Eff Duration (Yrs)	6.13
Avg Eff Maturity (Yrs)	0.00
Avg Weighted Price	111.52

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 Bond Market Index Separate Account-Z.

*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.*

The 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.

Bloomberg Barclays Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# U.S. Property Separate Account-Z as of 12/31/2020

## Investment Strategy

Effective close of market 03/20/2020, a contractual limitation will delay the payment of most withdrawal or transfer requests from the Principal US Property Separate Account (Separate Account) but for no more than three years from the effective date. In accordance with the terms of your employer's group annuity contract, delayed payment requests will be honored proportionately. This means transactions may be processed in a series of payments until enough cash is available to pay obligations. The Separate Account invests the majority of assets in owned private equity commercial real estate. It focuses on properties anticipated to return both lease income and appreciation of the buildings' marketable value. The property holdings usually contain real estate from the multi-family, office, warehouse/manufacturing, and retail sectors. This Separate Account is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Please log on to the participant website at [www.principal.com](http://www.principal.com) for more details.

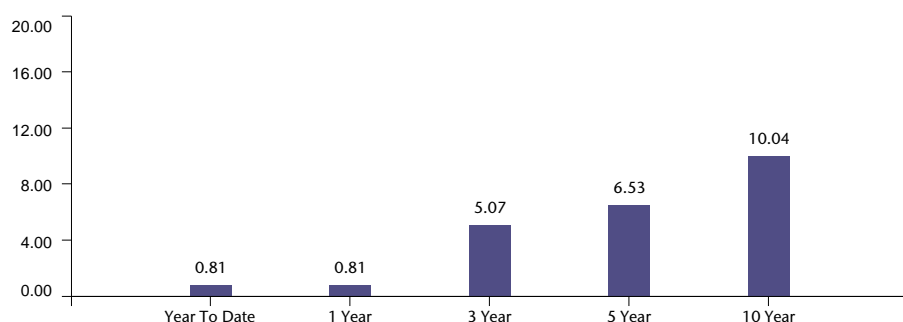


## Portfolio managers

**John Berg** Since 12/01/2003. M.B.A., University of Iowa

## Long-term returns % as of 12/31/2020

■ U.S. Property Separate Account-Z



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

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	0.81	0.81	5.07	6.53	10.04

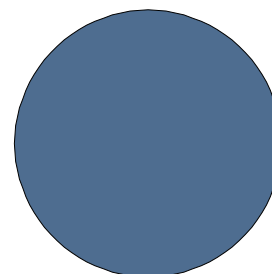
Annual Returns	2020	2019	2018	2017	2016
Total Return %	0.81	6.22	8.32	8.29	9.22

## Operations

Total Investment Expense Net	0.79%
Total Investment Expense Gross	0.79%
Inception Date	01/01/1982
Total Net Assets (mil)	\$8,011.57

## Portfolio information

Composition as of 11/30/2020



## % of Assets

Other	100.00
-------	--------

## Analysis

Total Number of Hldgs	133
-----------------------	-----

## Portfolio composition

### Top ten holdings % of net assets

Office/Retail/Land Anaheim,CA	4.05
Office Austin,TX	4.00
Office Cambridge,MA	3.87
Office Seattle,WA	3.65
Multifamily Phoenix,AZ	3.06
Multifamily/Retail Cambridge,MA	2.88
Office New York,NY	2.85
Office Oakland,CA	2.48
Retail Los Angeles,CA	2.35
Office San Jose,CA	2.10

% of net assets in top ten holdings\* 31.29%

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

## Geographical diversity % of properties

West	46.48
East	27.99
South	21.58
Midwest	3.95

## Property type % of account

Office	36.41
Apartments	27.44
Industrial Park	22.15
Retail	13.65
Other	0.34

# LargeCap S&P 500 Index Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment option normally invests the majority of assets in common stocks of companies that compose the S&P 500 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 500 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 500 Index.



## Portfolio managers

**Jeffrey A. Schwarte**, CPA, CFA. Since 07/29/2016. B.A., University of Northern Iowa

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	18.36	18.36	14.13	15.15	13.81
Standard & Poor's 500 Index %	18.40	18.40	14.18	15.22	13.88
Large Blend Category %	15.83	15.83	11.89	13.39	12.28
Morningstar Percentile Rankings	-	38	25	21	13
# of Funds in Category	1363	1363	1232	1072	814
Annual Returns	2020	2019	2018	2017	2016
Total Return %	18.36	31.38	-4.41	21.73	11.89
Standard & Poor's 500 Index %	18.40	31.49	-4.38	21.83	11.96
Large Blend Category %	15.83	28.78	-6.27	20.44	10.37
Morningstar Percentile Rankings	38	27	25	31	28
# of Funds in Category	1363	1387	1402	1396	1409

Morningstar percentile rankings are based on total returns.

## Morningstar category

Large Blend

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Standard & Poor's 500 Index

	3Yr	5Yr
Alpha	-0.04	-0.04
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	18.77	15.24
Mean	14.13	15.15
Sharpe Ratio	0.72	0.93
Excess Return	-0.05	-0.07
Tracking Error	0.03	0.03
Information Ratio	-2.14	-2.38

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	01/01/1990
Total Net Assets (mil)	\$31,177.45



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



# LargeCap S&P 500 Index Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	97.62	0.00	97.62
	Cash	1.46	0.00	1.46
	Non-U.S. Stocks	0.92	0.00	0.92

## Top ten holdings

	% of net assets
1. Apple Inc	6.28
2. Microsoft Corp	5.31
3. Amazon.com Inc	4.42
4. Facebook Inc A	2.18
5. Alphabet Inc A	1.73
6. Alphabet Inc Class C	1.70
7. Berkshire Hathaway Inc Class B	1.49
8. Johnson & Johnson	1.25
9. JPMorgan Chase & Co	1.18
10. Visa Inc Class A	1.16
% of net assets in top ten holdings*	26.70

## Analysis

# of Stock Hldgs	505
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$165,628.23
Turnover Ratio	2%
P/C Ratio	14.28
P/B Ratio	3.49
P/E Ratio	21.61

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>29.39</b>	<b>Defensive</b>	<b>23.97</b>	<b>Sensitive</b>	<b>46.65</b>
Consumer Cyclical	11.08	Healthcare	13.78	Technology	24.18
Basic Materials	2.34	Consumer Defensive	7.29	Industrials	9.14
Financial Svcs	13.45	Utilities	2.90	Energy	2.30
Real Estate	2.52			Comm Svcs	11.03

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 LargeCap S&P 500 Index Separate Account-Z.

*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).*

Standard & Poor's 500 Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# Capital Appreciation Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks to provide long-term growth of capital. The fund invests primarily in equity securities of companies with any market capitalization, but it has a greater exposure to large market capitalization companies than small or medium market capitalization companies. The managers seek to invest in securities of businesses that they believe are trading at a discount to their private market value (i.e., the value of the business if it was sold), have a competitive advantage, and/or that have barriers to entry in their respective industries.

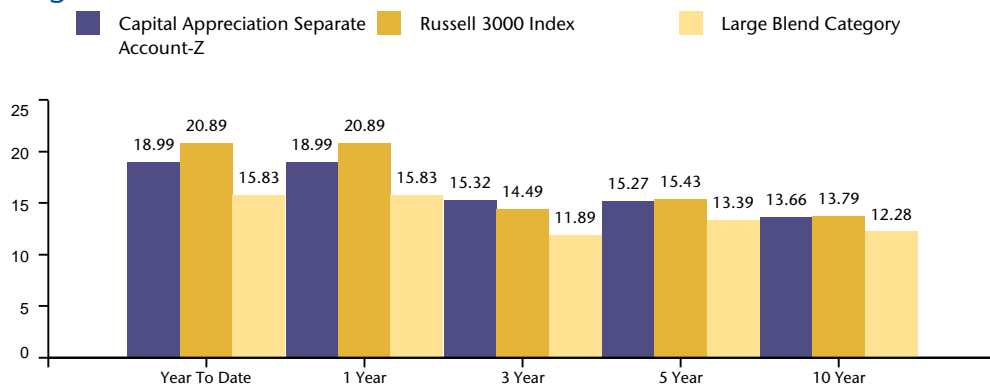


## Portfolio managers

**Daniel R. Coleman** Since 05/19/2010. M.B.A., New York University

**Theodore Jayne, CFA** Since 09/30/2015. B.A., Harvard University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	18.99	18.99	15.32	15.27	13.66
Russell 3000 Index %	20.89	20.89	14.49	15.43	13.79
Large Blend Category %	15.83	15.83	11.89	13.39	12.28
Morningstar Percentile Rankings	-	31	8	18	20
# of Funds in Category	1363	1363	1232	1072	814
Annual Returns	2020	2019	2018	2017	2016
Total Return %	18.99	32.89	-3.00	21.25	9.41
Russell 3000 Index %	20.89	31.02	-5.24	21.13	12.74
Large Blend Category %	15.83	28.78	-6.27	20.44	10.37
Morningstar Percentile Rankings	31	11	14	43	66
# of Funds in Category	1363	1387	1402	1396	1409

Morningstar percentile rankings are based on total returns.

## Morningstar category

Large Blend

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 3000 Index

	3Yr	5Yr
Alpha	1.73	0.95
Beta	0.91	0.91
R-Squared	98.32	98.06
Standard Deviation	17.99	14.75
Mean	15.32	15.27
Sharpe Ratio	0.80	0.96
Excess Return	0.82	-0.15
Tracking Error	2.99	2.50
Information Ratio	0.28	-0.07

## Operations

Total Investment Expense Net	0.32%
Total Investment Expense Gross	0.36%
Contractual Cap Expiration Date	02/28/2021
Inception Date	06/30/2009
Extended Performance Inception Date#	11/30/1986
Total Net Assets (mil)	\$2,019.76



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



# Capital Appreciation Separate Account-Z as of 12/31/2020

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	95.74	0.00	95.74
	Non-U.S. Stocks	3.00	0.00	3.00
	Cash	1.26	0.00	1.26

## Top ten holdings

	% of net assets
1. Microsoft Corp	5.64
2. Apple Inc	5.23
3. Amazon.Com Inc	3.73
4. Alphabet Inc A	3.14
5. Jpmorgan Chase & Co	2.41
6. Visa Inc Class A	2.12
7. Adobe Inc	1.96
8. PepsiCo Inc	1.91
9. T-Mobile Us Inc	1.83
10. Facebook Inc A	1.81
% of net assets in top ten holdings*	29.78

## Analysis

# of Stock Hldgs	82
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$156,007.51
Turnover Ratio	35%
P/C Ratio	15.68
P/B Ratio	4.21
P/E Ratio	23.59

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>30.22</b>	<b>Defensive</b>	<b>23.36</b>	<b>Sensitive</b>	<b>46.42</b>
Consumer Cyclical	11.74	Healthcare	12.71	Technology	23.94
Basic Materials	1.71	Consumer Defensive	7.59	Industrials	8.93
Financial Svcs	13.59	Utilities	3.06	Energy	2.12
Real Estate	3.18			Comm Svcs	11.43

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 Capital Appreciation Separate Account-Z. Principal Capital Appreciation 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. Capital Appreciation 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 (PWCIX) 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 Russell 3000 Index is constructed to provide a comprehensive barometer of the broad market and accounts for nearly 98% of the total value of all equity traded on the U.S. exchanges. It measures the stocks that are also members of either the Russell 1000 or the Russell 2000 indexes.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# LargeCap Value III Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in companies with large market capitalizations at the time of purchase. For this fund, companies with large market capitalizations are those with market capitalizations within the range of companies comprising the Russell 1000 (R) Value Index. The fund invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued.



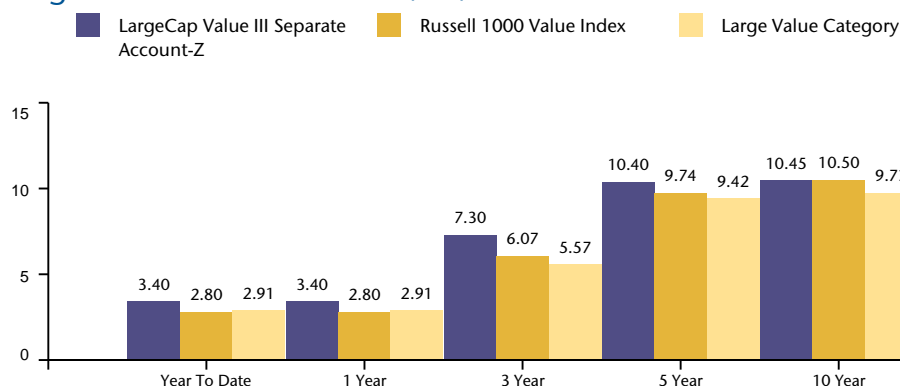
BARROW, HANLEY,  
MEWHINNEY & STRAUSS, LLC

## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	3.40	3.40	7.30	10.40	10.45
Russell 1000 Value Index %	2.80	2.80	6.07	9.74	10.50
Large Value Category %	2.91	2.91	5.57	9.42	9.73
Morningstar Percentile Rankings	-	43	27	31	33
# of Funds in Category	1200	1200	1128	998	716
Annual Returns	2020	2019	2018	2017	2016
Total Return %	3.40	26.71	-5.72	17.08	13.38
Russell 1000 Value Index %	2.80	26.54	-8.27	13.66	17.34
Large Value Category %	2.91	25.04	-8.53	15.94	14.81
Morningstar Percentile Rankings	43	34	21	38	64
# of Funds in Category	1200	1209	1244	1260	1268

Morningstar percentile rankings are based on total returns.

## Morningstar category

Large Value

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to  
Russell 1000 Value Index

	3Yr	5Yr
Alpha	1.24	0.83
Beta	0.98	0.97
R-Squared	98.88	98.64
Standard Deviation	19.56	15.89
Mean	7.30	10.40
Sharpe Ratio	0.38	0.63
Excess Return	1.23	0.66
Tracking Error	2.12	1.92
Information Ratio	0.58	0.35

## Operations

Total Investment Expense Net	0.53%
Total Investment Expense Gross	0.60%
Waiver Expiration Date	02/28/2021
Inception Date	12/29/2000
Total Net Assets (mil)	\$2,130.76



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	94.76	0.00	94.76
		Non-U.S. Stocks	3.17	0.00	3.17
		Cash	2.08	1.33	3.40

Top ten holdings	% of net assets
1. Principal Government Money Market Instl	3.10
2. Jpmorgan Chase & Co	2.71
3. American International Group Inc	2.58
4. Medtronic Plc	2.40
5. Cvs Health Corp	2.34
6. Texas Instruments Inc	2.12
7. Unitedhealth Group Inc	1.73
8. Aramark	1.63
9. Deere & Co	1.46
10. Corteva Inc	1.45
% of net assets in top ten holdings*	21.54

## Analysis

# of Stock Hldgs	856
# of Bond Hldgs	0
# of Other Hldgs	4
AvgMktCap (mil)	\$68,162.59
Turnover Ratio	52%
P/C Ratio	11.07
P/B Ratio	2.00
P/E Ratio	17.77

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>34.44</b>	<b>Defensive</b>	<b>24.42</b>	<b>Sensitive</b>	<b>41.15</b>
Consumer Cyclical	8.18	Healthcare	12.61	Technology	13.86
Basic Materials	3.55	Consumer Defensive	7.17	Industrials	15.26
Financial Svcs	19.55	Utilities	4.64	Energy	4.53
Real Estate	3.16			Comm Svcs	7.50

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 LargeCap Value III Separate Account-Z. Principal LargeCap Value III 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. LargeCap Value III 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 (PLVIX) at <http://www.principal-funds.com/Principal?site=MF>.

*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).*

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# LargeCap Growth I Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. The fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with large market capitalizations at the time of purchase. It invests in growth equity securities, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average. The fund is non-diversified.

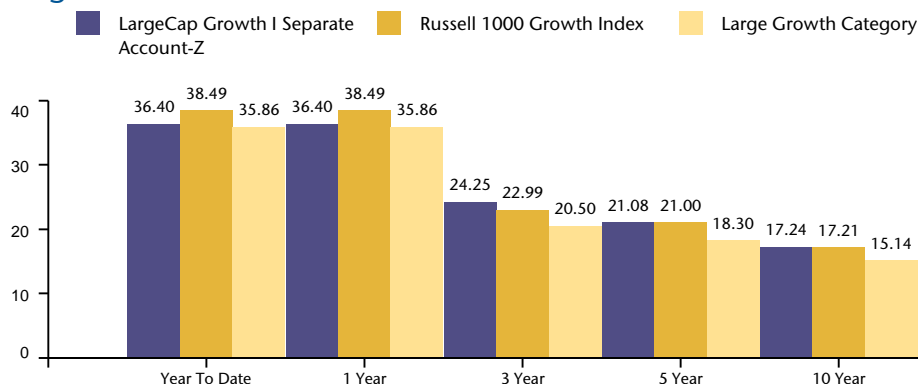


## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	36.40	36.40	24.25	21.08	17.24
Russell 1000 Growth Index %	38.49	38.49	22.99	21.00	17.21
Large Growth Category %	35.86	35.86	20.50	18.30	15.14
Morningstar Percentile Rankings	-	40	19	17	17
# of Funds in Category	1289	1289	1197	1070	789
Annual Returns	2020	2019	2018	2017	2016
Total Return %	36.40	35.26	3.98	34.06	1.19
Russell 1000 Growth Index %	38.49	36.39	-1.51	30.21	7.08
Large Growth Category %	35.86	31.90	-2.09	27.67	3.23
Morningstar Percentile Rankings	40	26	8	13	68
# of Funds in Category	1289	1360	1405	1363	1463

Morningstar percentile rankings are based on total returns.

## Morningstar category

Large Growth

## Morningstar Style Box™

As of 11/30/2020

### Investment style

Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 1000 Growth Index

	3Yr	5Yr
Alpha	1.77	0.42
Beta	0.96	0.98
R-Squared	97.94	96.25
Standard Deviation	19.32	16.31
Mean	24.25	21.08
Sharpe Ratio	1.15	1.19
Excess Return	1.26	0.08
Tracking Error	2.90	3.18
Information Ratio	0.43	0.02

## Operations

Total Investment Expense Net	0.39%
Total Investment Expense Gross	0.41%
Contractual Cap Expiration Date	02/28/2021
Waiver Expiration Date	02/28/2021
Inception Date	12/29/2000
Total Net Assets (mil)	\$12,676.75



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# LargeCap Growth I Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	91.28	0.00	91.28
	Non-U.S. Stocks	7.19	0.00	7.19
	Preferred	0.76	0.00	0.76
	Cash	0.75	0.35	1.10
	Other	0.01	0.00	0.01

## Top ten holdings

	% of net assets
1. Amazon.Com Inc	6.84
2. Microsoft Corp	6.36
3. Alphabet Inc Class C	3.21
4. Paypal Holdings Inc	3.03
5. Facebook Inc A	2.99
6. Apple Inc	2.95
7. Intuitive Surgical Inc	2.69
8. Intuit Inc	2.68
9. Salesforce.Com Inc	2.48
10. Alphabet Inc A	2.40
% of net assets in top ten holdings*	35.64

## Analysis

# of Stock Hldgs	472
# of Bond Hldgs	0
# of Other Hldgs	18
AvgMktCap (mil)	\$170,695.65
Turnover Ratio	71%
P/C Ratio	21.59
P/B Ratio	5.82
P/E Ratio	32.83

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>26.63</b>	<b>Defensive</b>	<b>22.20</b>	<b>Sensitive</b>	<b>51.18</b>
Consumer Cyclical	14.46	Healthcare	16.79	Technology	28.26
Basic Materials	2.10	Consumer Defensive	4.93	Industrials	6.70
Financial Svcs	8.00	Utilities	0.48	Energy	0.02
Real Estate	2.07			Comm Svcs	16.20

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 LargeCap Growth I Separate Account-Z. Principal LargeCap Growth I investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. LargeCap Growth I R6 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 (PLCGX) at <http://www.principal-funds.com/Principal?site=MF>.

*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).*

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.



# American Century Equity Income A Fund as of 12/31/2020

## Investment Strategy

The investment seeks current income; capital appreciation is a secondary objective. The portfolio managers look for equity securities of companies with a favorable income-paying history that have prospects for income payments to continue or increase. The portfolio managers also look for equity securities of companies that they believe are undervalued and have the potential for an increase in price. The fund may invest a portion of its assets in foreign securities when these securities meet the portfolio managers' standards of selection.



**American Century Investments®**

### Portfolio managers

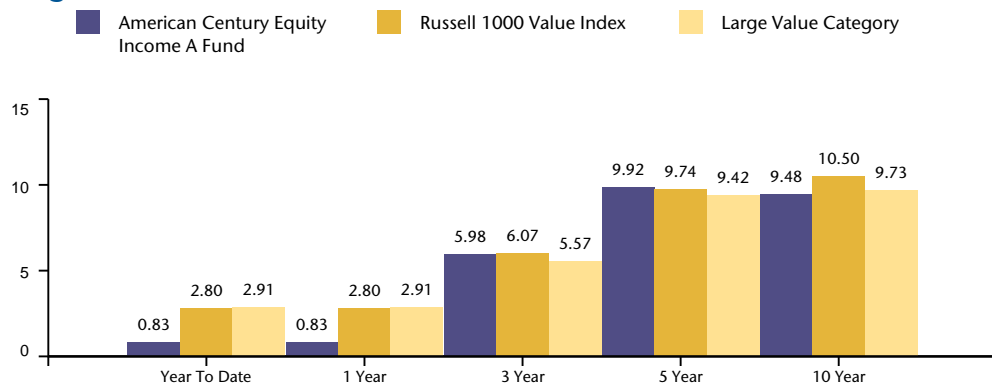
**Phillip N. Davidson**, CFA. Since 12/31/1994. M.B.A., Illinois State University

**Michael Liss**, CFA. Since 12/31/1998. M.B.A., Indiana University

**Kevin Toney**, CFA. Since 08/30/2003. M.B.A., University of Pennsylvania (Wharton)

**Brian Woglom**, CFA. Since 04/29/2019. M.B.A., University of Michigan

## Long-term returns % as of 12/31/2020



## 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	10 Year
Total Return %	0.83	0.83	5.98	9.92	9.48
Russell 1000 Value Index %	2.80	2.80	6.07	9.74	10.50
Large Value Category %	2.91	2.91	5.57	9.42	9.73
Morningstar Percentile Rankings	-	66	47	38	61
# of Funds in Category	1200	1200	1128	998	716
Annual Returns	2020	2019	2018	2017	2016
Total Return %	0.83	23.80	-4.63	13.06	19.20
Russell 1000 Value Index %	2.80	26.54	-8.27	13.66	17.34
Large Value Category %	2.91	25.04	-8.53	15.94	14.81
Morningstar Percentile Rankings	66	68	14	82	12
# of Funds in Category	1200	1209	1244	1260	1268

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Large Value

## Morningstar Style Box™

As of 09/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 1000 Value Index

	3Yr	5Yr
Alpha	0.63	2.05
Beta	0.76	0.74
R-Squared	97.99	95.68
Standard Deviation	15.29	12.32
Mean	5.98	9.92
Sharpe Ratio	0.36	0.74
Excess Return	-0.08	0.17
Tracking Error	5.25	4.94
Information Ratio	-0.02	0.04

## Operations

Total Investment Expense Net	1.17%
Total Investment Expense Gross	1.17%
Inception Date	03/07/1997
Total Net Assets (mil)	\$11,904.72
12b-1 Fees	0.25%
Ticker	TWEAX



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# American Century Equity Income A Fund as of 12/31/2020

## Portfolio information<sup>†</sup>

Composition as of 09/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	68.09	0.00	68.09
	Non-U.S. Stocks	11.73	0.00	11.73
	U.S. Bonds	9.71	0.00	9.71
	Preferred	5.89	0.00	5.89
	Cash	2.38	0.00	2.38
	Convertibles	1.82	0.00	1.82
	Other	0.37	0.00	0.37

## Top ten holdings

% of net assets

1. Johnson & Johnson	4.95
2. Medtronic PLC	4.53
3. iShares Russell 1000 Value ETF	4.41
4. Emerson Electric Co	3.69
5. Verizon Communications Inc	3.23
6. Texas Instruments Inc	2.90
7. Roche Holding AG Dividend Right Cert.	2.45
8. Walmart Inc	2.28
9. Microsoft Corp	2.21
10. Marsh & McLennan Companies Inc	2.18
% of net assets in top ten holdings*	32.84

## Analysis

# of Stock Hldgs	65
# of Bond Hldgs	16
# of Other Hldgs	22
AvgMktCap (mil)	\$70,214.03
Turnover Ratio	85%
P/C Ratio	9.88
P/B Ratio	2.52
P/E Ratio	18.15

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>18.48</b>	<b>Defensive</b>	<b>48.10</b>	<b>Sensitive</b>	<b>33.41</b>
Consumer Cyclical	1.16	Healthcare	19.38	Technology	8.99
Basic Materials	1.84	Consumer Defensive	19.10	Industrials	15.41
Financial Svcs	15.22	Utilities	9.62	Energy	4.40
Real Estate	0.26			Comm Svcs	4.61

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

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

*Investors should carefully consider a mutual fund's investment objectives, risks, charges and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting [principal.com](http://principal.com), or by calling 800-547-7754. Read the prospectus carefully before investing.*

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# American Funds Growth Fund of America R6 Fund as of 12/31/2020

## Investment Strategy

The investment seeks growth of capital. The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest up to 25% of its assets in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund's assets. Under this approach, the portfolio of the fund is divided into segments managed by individual managers.



**CAPITAL GROUP®** | AMERICAN FUNDS

## Portfolio managers

**Donald D. O'Neal** Since 11/01/1993. M.B.A., Stanford University

**J. Blair Frank** Since 11/01/2001.

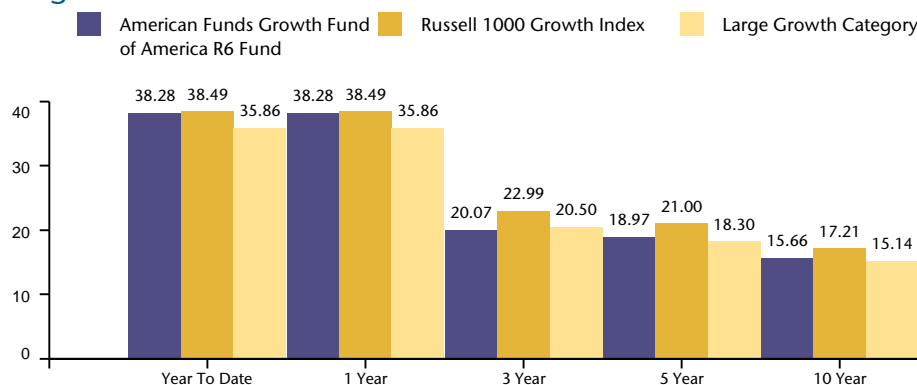
**Barry S. Crosthwaite** Since 11/01/2007. M.B.A., Stanford University

**Lawrence R. Solomon**, CFA. Since 05/01/2010.

**Martin Romo** Since 11/01/2010. B.A., University of California-Berkeley

**Carl M. Kawaja** Since 11/01/2010. B.A., Brown University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	38.28	38.28	20.07	18.97	15.66
Russell 1000 Growth Index %	38.49	38.49	22.99	21.00	17.21
Large Growth Category %	35.86	35.86	20.50	18.30	15.14
Morningstar Percentile Rankings	-	35	53	40	40
# of Funds in Category	1289	1289	1197	1070	789
Annual Returns	2020	2019	2018	2017	2016
Total Return %	38.28	28.54	-2.60	26.53	8.82
Russell 1000 Growth Index %	38.49	36.39	-1.51	30.21	7.08
Large Growth Category %	35.86	31.90	-2.09	27.67	3.23
Morningstar Percentile Rankings	35	80	53	57	9
# of Funds in Category	1289	1360	1405	1363	1463

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Large Growth

## Morningstar Style Box™

As of 09/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 1000 Growth Index

	3Yr	5Yr
Alpha	-1.87	-1.17
Beta	0.97	0.97
R-Squared	96.14	94.64
Standard Deviation	19.72	16.27
Mean	20.07	18.97
Sharpe Ratio	0.95	1.08
Excess Return	-2.91	-2.02
Tracking Error	3.93	3.80
Information Ratio	-0.74	-0.53

## Operations

Total Investment Expense Net	0.30%
Total Investment Expense Gross	0.30%
Inception Date	05/01/2009
Extended Performance	
Inception Date#	11/30/1973
Total Net Assets (mil)	\$256,142.93
12b-1 Fees	-
Ticker	RGAGX



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



# American Funds Growth Fund of America R6 Fund

## Portfolio information†

Composition as of 09/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	84.39	0.00	84.39
	Non-U.S. Stocks	9.80	0.00	9.80
	Cash	5.12	0.12	5.23
	Preferred	0.53	0.00	0.53
	Other	0.14	0.00	0.14
	U.S. Bonds	0.01	0.00	0.01
	Convertibles	0.01	0.00	0.01

## Top ten holdings

	% of net assets
1. Facebook Inc A	5.69
2. Netflix Inc	5.59
3. Amazon.com Inc	5.52
4. Capital Group Central Cash Fund	5.23
5. Tesla Inc	5.08
6. Microsoft Corp	5.00
7. UnitedHealth Group Inc	2.07
8. Alphabet Inc Class C	1.97
9. Mastercard Inc A	1.89
10. Broadcom Inc	1.77
% of net assets in top ten holdings*	39.83

## Analysis

# of Stock Hldgs	360
# of Bond Hldgs	2
# of Other Hldgs	16
AvgMktCap (mil)	\$130,417.20
Turnover Ratio	28%
P/C Ratio	15.91
P/B Ratio	4.46
P/E Ratio	31.80

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>32.89</b>	<b>Defensive</b>	<b>18.20</b>	<b>Sensitive</b>	<b>48.92</b>
Consumer Cyclical	21.07	Healthcare	15.39	Technology	21.34
Basic Materials	1.49	Consumer Defensive	2.56	Industrials	6.45
Financial Svcs	8.76	Utilities	0.25	Energy	1.29
Real Estate	1.57			Comm Svcs	19.84

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

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

*Investors should carefully consider a mutual fund's investment objectives, risks, charges and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting [principal.com](http://principal.com), or by calling 800-547-7754. Read the prospectus carefully before investing.*

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# MidCap Growth III Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in growth equity securities, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average.

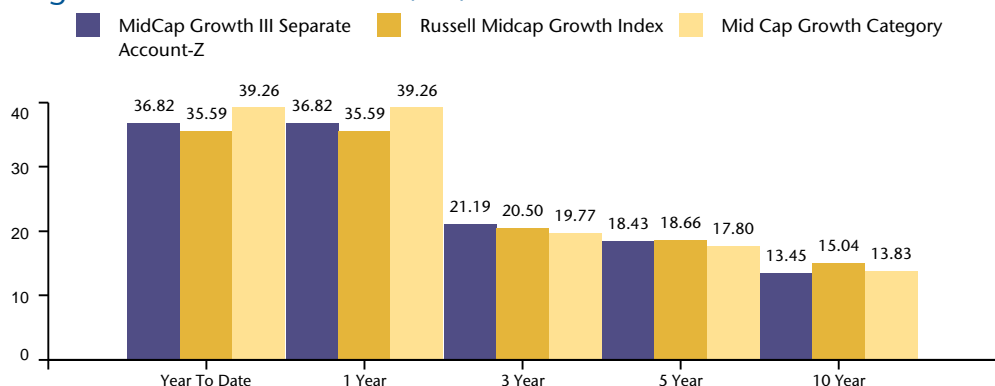


## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	36.82	36.82	21.19	18.43	13.45
Russell Midcap Growth Index %	35.59	35.59	20.50	18.66	15.04
Mid Cap Growth Category %	39.26	39.26	19.77	17.80	13.83
Morningstar Percentile Rankings	-	39	36	35	62
# of Funds in Category	604	604	564	504	383
Annual Returns	2020	2019	2018	2017	2016
Total Return %	36.82	35.77	-4.19	24.92	4.79
Russell Midcap Growth Index %	35.59	35.47	-4.75	25.27	7.33
Mid Cap Growth Category %	39.26	32.52	-6.65	23.91	6.03
Morningstar Percentile Rankings	39	29	31	42	55
# of Funds in Category	604	618	605	617	644

Morningstar percentile rankings are based on total returns.

## Morningstar category

Mid Cap Growth

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell Midcap Growth Index

	3Yr	5Yr
Alpha	0.75	0.05
Beta	0.99	0.99
R-Squared	98.76	98.44
Standard Deviation	21.71	17.79
Mean	21.19	18.43
Sharpe Ratio	0.93	0.98
Excess Return	0.69	-0.22
Tracking Error	2.43	2.24
Information Ratio	0.29	-0.10

## Operations

Total Investment Expense Net	0.60%
Total Investment Expense Gross	0.62%
Waiver Expiration Date	02/28/2021
Inception Date	10/28/1999
Total Net Assets (mil)	\$1,277.44



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# MidCap Growth III Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	95.49	0.00	95.49
	Non-U.S. Stocks	3.20	0.00	3.20
	Cash	1.31	0.25	1.56

## Top ten holdings

	% of net assets
1. Align Technology Inc	2.28
2. Synopsys Inc	2.09
3. Idexx Laboratories Inc	2.01
4. Pool Corp	1.97
5. Microchip Technology Inc	1.73
6. Tyler Technologies Inc	1.70
7. Chipotle Mexican Grill Inc Class A	1.60
8. Veeva Systems Inc Class A	1.60
9. Principal Government Money Market Instl	1.56
10. Burlington Stores Inc	1.53
% of net assets in top ten holdings*	18.07

## Analysis

# of Stock Hldgs	379
# of Bond Hldgs	0
# of Other Hldgs	3
AvgMktCap (mil)	\$20,545.67
Turnover Ratio	43%
P/C Ratio	24.76
P/B Ratio	6.28
P/E Ratio	32.56

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>22.88</b>	<b>Defensive</b>	<b>23.86</b>	<b>Sensitive</b>	<b>53.25</b>
Consumer Cyclical	15.21	Healthcare	21.65	Technology	32.94
Basic Materials	1.35	Consumer Defensive	2.20	Industrials	15.39
Financial Svcs	4.82	Utilities	0.01	Energy	0.35
Real Estate	1.50			Comm Svcs	4.57

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 MidCap Growth III Separate Account-Z. Principal MidCap Growth III 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. MidCap Growth III 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 (PPIMX) 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).*

Russell Midcap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# MidCap Value I Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. The fund also invests in real estate investment trusts.

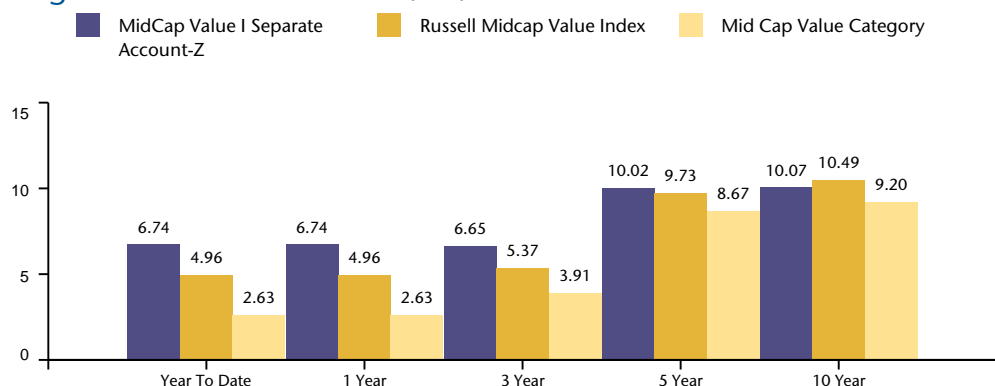


## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %		6.74	6.74	6.65	10.02	10.07
Russell Midcap Value Index %		4.96	4.96	5.37	9.73	10.49
Mid Cap Value Category %		2.63	2.63	3.91	8.67	9.20
Morningsstar Percentile Rankings		-	24	17	23	28
# of Funds in Category		415	415	396	349	247
Annual Returns		2020	2019	2018	2017	2016
Total Return %		6.74	27.17	-10.65	14.95	15.59
Russell Midcap Value Index %		4.96	27.06	-12.29	13.34	20.00
Mid Cap Value Category %		2.63	25.18	-12.86	13.22	18.06
Morningsstar Percentile Rankings		24	38	26	33	68
# of Funds in Category		415	422	417	405	399

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Mid Cap Value

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell Midcap Value Index

	3Yr	5Yr
Alpha	1.26	0.61
Beta	0.94	0.95
R-Squared	99.29	98.65
Standard Deviation	21.57	17.85
Mean	6.65	10.02
Sharpe Ratio	0.34	0.56
Excess Return	1.28	0.29
Tracking Error	2.33	2.32
Information Ratio	0.55	0.12

## Operations

Total Investment Expense Net	0.50%
Total Investment Expense Gross	0.52%
Contractual Cap Expiration Date	02/28/2021
Waiver Expiration Date	02/28/2021
Inception Date	07/01/1999
Total Net Assets (mil)	\$2,334.76



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# MidCap Value I Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	94.97	0.00	94.97
	Non-U.S. Stocks	3.55	0.00	3.55
	Cash	1.48	0.13	1.61

Top ten holdings	% of net assets
1. Archer-Daniels Midland Co	1.74
2. Borgwarner Inc	1.59
3. Principal Government Money Market Instl	1.53
4. Avery Dennison Corp	1.43
5. Alleghany Corp	1.39
6. Textron Inc	1.33
7. Flex Ltd	1.33
8. Parker Hannifin Corp	1.28
9. Landstar System Inc	1.27
10. Reliance Steel & Aluminum Co	1.23
% of net assets in top ten holdings*	14.12

### Analysis

# of Stock Hldgs	708
# of Bond Hldgs	0
# of Other Hldgs	4
AvgMktCap (mil)	\$11,948.65
Turnover Ratio	60%
P/C Ratio	9.00
P/B Ratio	2.06
P/E Ratio	16.29

### Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>42.44</b>	<b>Defensive</b>	<b>17.84</b>	<b>Sensitive</b>	<b>39.71</b>
Consumer Cyclical	13.29	Healthcare	6.32	Technology	12.37
Basic Materials	6.68	Consumer Defensive	7.90	Industrials	21.26
Financial Svcs	15.40	Utilities	3.62	Energy	3.17
Real Estate	7.07			Comm Svcs	2.91

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 MidCap Value I Separate Account-Z. Principal MidCap Value I 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. MidCap Value I 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 (PVMIX) 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).*

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

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.



# MidCap S&P 400 Index Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment option normally invests the majority of assets in common stocks of companies that compose the S&P MidCap 400 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P MidCap 400 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P MidCap 400 Index.

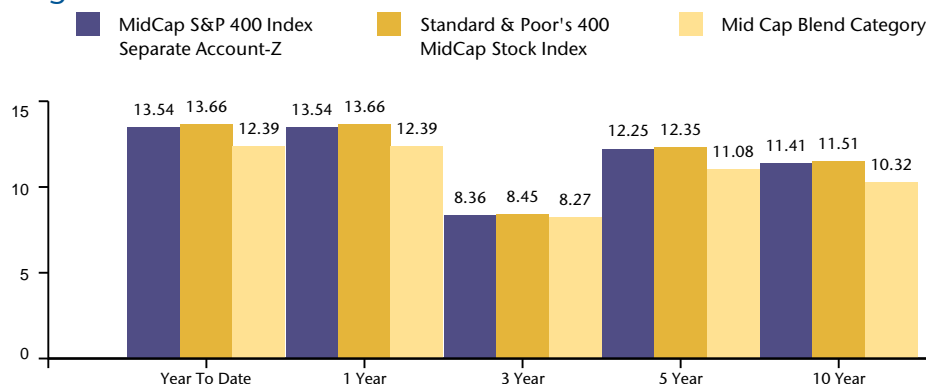


### Portfolio managers

**Jeffrey A. Schwarte**, CPA, CFA. Since 07/29/2016. B.A., University of Northern Iowa

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	13.54	13.54	8.36	12.25	11.41
Standard & Poor's 400 MidCap Stock Index %	13.66	13.66	8.45	12.35	11.51
Mid Cap Blend Category %	12.39	12.39	8.27	11.08	10.32
Morningstar Percentile Rankings	-	37	46	33	25
# of Funds in Category	407	407	374	309	215
Annual Returns	2020	2019	2018	2017	2016
Total Return %	13.54	26.12	-11.16	16.15	20.60
Standard & Poor's 400 MidCap Stock Index %	13.66	26.20	-11.08	16.24	20.74
Mid Cap Blend Category %	12.39	26.21	-11.15	15.93	14.14
Morningstar Percentile Rankings	37	57	50	49	6
# of Funds in Category	407	404	464	443	427

Morningstar percentile rankings are based on total returns.

## Morningstar category

Mid Cap Blend

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Standard & Poor's 400 MidCap Stock Index

	3Yr	5Yr
Alpha	-0.08	-0.08
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	23.62	19.34
Mean	8.36	12.25
Sharpe Ratio	0.40	0.64
Excess Return	-0.09	-0.09
Tracking Error	0.04	0.04
Information Ratio	-2.03	-2.58

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	08/31/1999
Total Net Assets (mil)	\$4,919.80



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# MidCap S&P 400 Index Separate Account-Z as of 12/31/2020

## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	98.05	0.00	98.05
	Cash	1.75	0.00	1.75
	Non-U.S. Stocks	0.20	0.00	0.20

## Top ten holdings

	% of net assets
1. Enphase Energy Inc	0.87
2. Trimble Inc	0.76
3. SolarEdge Technologies Inc	0.71
4. Fair Isaac Corp	0.70
5. Caesars Entertainment Inc	0.69
6. Monolithic Power Systems Inc	0.69
7. Generac Holdings Inc	0.69
8. Cognex Corp	0.66
9. Masimo Corp	0.65
10. FactSet Research Systems Inc	0.64
% of net assets in top ten holdings*	7.06

## Analysis

# of Stock Hldgs	400
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$5,906.50
Turnover Ratio	17%
P/C Ratio	11.97
P/B Ratio	2.13
P/E Ratio	18.64

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>42.89</b>	<b>Defensive</b>	<b>18.73</b>	<b>Sensitive</b>	<b>38.38</b>
Consumer Cyclical	14.44	Healthcare	10.99	Technology	16.59
Basic Materials	4.62	Consumer Defensive	4.62	Industrials	18.16
Financial Svcs	14.78	Utilities	3.12	Energy	1.63
Real Estate	9.05			Comm Svcs	2.00

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 MidCap S&P 400 Index Separate Account-Z.

*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.*

Standard & Poor's 400 MidCap Stock Index includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# SmallCap Growth I Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. The management invests up to 30% of the fund's assets in equity securities in an attempt to match the performance of the Russell 2000(R) Growth Index. The fund's remaining assets are managed by the sub-advisors.

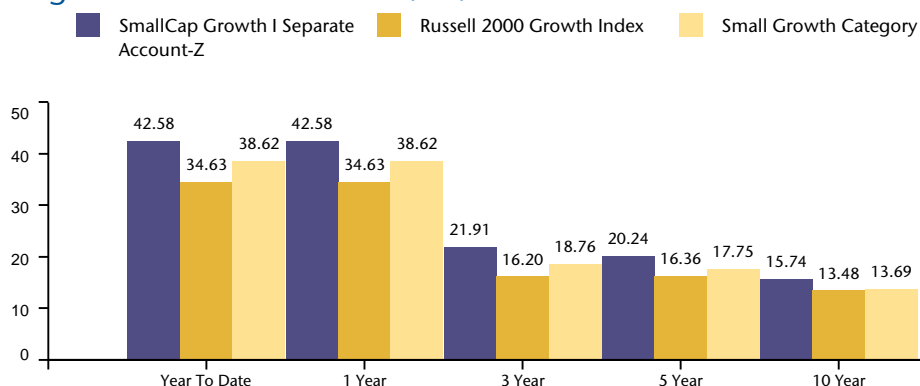


## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	42.58	42.58	21.91	20.24	15.74
Russell 2000 Growth Index %	34.63	34.63	16.20	16.36	13.48
Small Growth Category %	38.62	38.62	18.76	17.75	13.69
Morningstar Percentile Rankings	-	34	31	28	19
# of Funds in Category	616	616	576	505	381
Annual Returns	2020	2019	2018	2017	2016
Total Return %	42.58	33.88	-5.09	26.67	9.54
Russell 2000 Growth Index %	34.63	28.48	-9.31	22.17	11.32
Small Growth Category %	38.62	27.68	-5.76	21.50	11.20
Morningstar Percentile Rankings	34	22	45	22	55
# of Funds in Category	616	640	676	684	669

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Small Growth

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 2000 Growth Index

	3Yr	5Yr
Alpha	5.49	4.01
Beta	0.95	0.95
R-Squared	96.81	96.82
Standard Deviation	24.55	20.67
Mean	21.91	20.24
Sharpe Ratio	0.87	0.94
Excess Return	5.71	3.88
Tracking Error	4.59	3.86
Information Ratio	1.25	1.00

## Operations

Total Investment Expense Net	0.64%
Total Investment Expense Gross	0.66%
Contractual Cap Expiration Date	02/28/2021
Waiver Expiration Date	02/28/2021
Inception Date	12/29/2000
Total Net Assets (mil)	\$2,873.24



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



# SmallCap Growth I Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	94.21	0.00	94.21
	Non-U.S. Stocks	3.63	0.00	3.63
	Cash	2.16	0.88	3.04

Top ten holdings	% of net assets
1. Principal Government Money Market Instl	2.68
2. Lattice Semiconductor Corp	1.41
3. Neogenomics Inc	1.41
4. Chegg Inc	1.31
5. Freshpet Inc	1.29
6. Siteone Landscape Supply Inc	1.27
7. Blackline Inc	1.24
8. Blueprint Medicines Corp	1.11
9. Tetra Tech Inc	1.05
10. li-Vi Inc	0.97
% of net assets in top ten holdings*	13.75

## Analysis

# of Stock Hldgs	1202
# of Bond Hldgs	0
# of Other Hldgs	7
AvgMktCap (mil)	\$4,248.55
Turnover Ratio	57%
P/C Ratio	16.57
P/B Ratio	4.01
P/E Ratio	29.26

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>20.66</b>	<b>Defensive</b>	<b>34.26</b>	<b>Sensitive</b>	<b>45.08</b>
Consumer Cyclical	12.01	Healthcare	27.42	Technology	25.25
Basic Materials	1.21	Consumer Defensive	6.45	Industrials	16.98
Financial Svcs	5.92	Utilities	0.39	Energy	0.14
Real Estate	1.52			Comm Svcs	2.71

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 SmallCap Growth I Separate Account-Z. Principal SmallCap Growth I investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. SmallCap Growth I R6 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 (PCSMX) at <http://www.principal-funds.com/Principal?site=MF>.

*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).*

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# SmallCap Value II Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. The fund also invests in real estate investment trusts ("REITs").

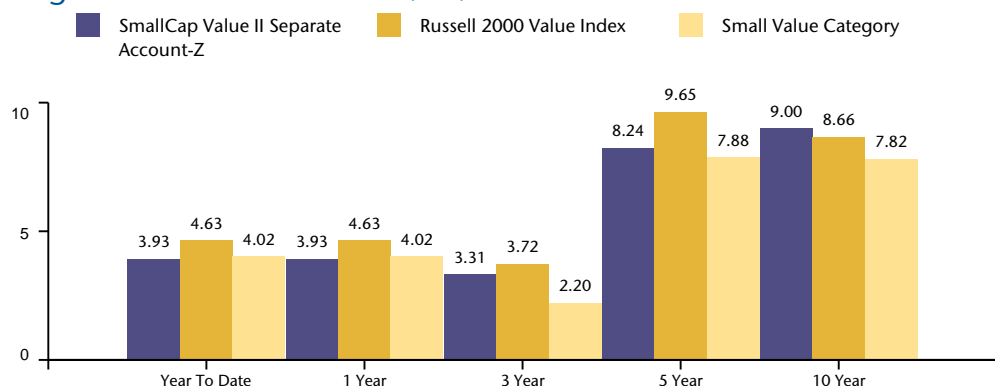


## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University

**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	3.93	3.93	3.31	8.24	9.00
Russell 2000 Value Index %	4.63	4.63	3.72	9.65	8.66
Small Value Category %	4.02	4.02	2.20	7.88	7.82
Morningstar Percentile Rankings	-	44	32	40	25
# of Funds in Category	416	416	386	358	259
Annual Returns	2020	2019	2018	2017	2016
Total Return %	3.93	23.59	-14.14	7.23	25.62
Russell 2000 Value Index %	4.63	22.39	-12.86	7.84	31.74
Small Value Category %	4.02	21.43	-15.46	8.54	25.99
Morningstar Percentile Rankings	44	27	39	65	54
# of Funds in Category	416	419	417	397	405

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Small Value

## Morningstar Style Box™

As of 11/30/2020

### Investment style

Value	Blend	Growth	Market capitalization
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to Russell 2000 Value Index

	3Yr	5Yr
Alpha	-0.38	-1.16
Beta	0.98	0.98
R-Squared	99.25	99.07
Standard Deviation	26.19	21.97
Mean	3.31	8.24
Sharpe Ratio	0.20	0.42
Excess Return	-0.40	-1.41
Tracking Error	2.30	2.18
Information Ratio	-0.17	-0.65

## Operations

Total Investment Expense Net	0.68%
Total Investment Expense Gross	0.70%
Contractual Cap Expiration Date	02/28/2022
Waiver Expiration Date	02/28/2022
Inception Date	06/01/2004
Total Net Assets (mil)	\$1,030.51



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# SmallCap Value II Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	95.72	0.00	95.72
	Non-U.S. Stocks	3.10	0.00	3.10
	Cash	1.19	0.37	1.55

## Top ten holdings

% of net assets

1. Insight Enterprises Inc	1.77
2. Principal Government Money Market Instl	1.55
3. Lpl Financial Holdings Inc	1.45
4. Axalta Coating Systems Ltd	1.33
5. Builders Firstsource Inc	1.33
6. Old Republic International Corp	1.27
7. Cmc Materials Inc Ordinary Shares	1.24
8. Univar Solutions Inc	1.18
9. Element Solutions Inc	1.12
10. First American Financial Corp	1.10
% of net assets in top ten holdings*	13.34

## Analysis

# of Stock Hldgs	1547
# of Bond Hldgs	0
# of Other Hldgs	5
AvgMktCap (mil)	\$2,072.33
Turnover Ratio	76%
P/C Ratio	7.20
P/B Ratio	1.41
P/E Ratio	12.82

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>48.28</b>	<b>Defensive</b>	<b>9.43</b>	<b>Sensitive</b>	<b>42.29</b>
Consumer Cyclical	12.33	Healthcare	4.73	Technology	12.63
Basic Materials	6.97	Consumer Defensive	2.52	Industrials	22.55
Financial Svcs	23.94	Utilities	2.18	Energy	4.43
Real Estate	5.04			Comm Svcs	2.68

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 SmallCap Value II Separate Account-Z. Principal SmallCap Value II investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. SmallCap Value II R6 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 (PSMVX) at <http://www.principal-funds.com/Principal?site=MF>.

*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).*

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.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# SmallCap S&P 600 Index Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital and normally invests the majority of assets in common stocks of companies that compose the S&P SmallCap 600 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 600 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 600 Index.



## Portfolio managers

**Jeffrey A. Schwarte**, CPA, CFA. Since 07/29/2016. B.A., University of Northern Iowa

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %	11.34	11.34	7.70	12.34	11.84
Standard & Poor's 600 Stock Index %	11.29	11.29	7.74	12.37	11.92
Small Blend Category %	10.99	10.99	6.41	10.49	9.83
Morningstar Percentile Rankings	-	50	36	25	8
# of Funds in Category	671	671	629	517	367
Annual Returns	2020	2019	2018	2017	2016
Total Return %	11.34	22.77	-8.61	13.27	26.45
Standard & Poor's 600 Stock Index %	11.29	22.78	-8.48	13.23	26.56
Small Blend Category %	10.99	23.75	-12.72	12.28	20.78
Morningstar Percentile Rankings	50	61	12	42	11
# of Funds in Category	671	702	769	802	750

Morningstar percentile rankings are based on total returns.

## Morningstar category

Small Blend

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to  
Standard & Poor's 600 Stock Index

	3Yr	5Yr
Alpha	-0.03	-0.02
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	25.83	21.71
Mean	7.70	12.34
Sharpe Ratio	0.36	0.59
Excess Return	-0.03	-0.03
Tracking Error	0.07	0.08
Information Ratio	-0.49	-0.41

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	08/31/1999
Total Net Assets (mil)	\$4,839.52



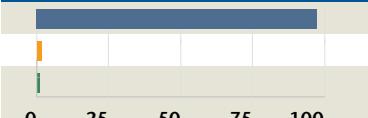
© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

# SmallCap S&P 600 Index Separate Account-Z as of 12/31/2020

## Portfolio information†

Composition as of 11/30/2020

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	97.42	0.00	97.42
		Non-U.S. Stocks	1.60	0.00	1.60
		Cash	0.97	0.00	0.98

Top ten holdings	% of net assets
1. Brooks Automation Inc	0.66
2. Capri Holdings Ltd	0.65
3. NeoGenomics Inc	0.64
4. Kinsale Capital Group Inc	0.62
5. YETI Holdings Inc	0.58
6. Saia Inc	0.56
7. Omnicell Inc	0.55
8. Cleveland-Cliffs Inc	0.54
9. Exponent Inc	0.52
10. Power Integrations Inc	0.52
% of net assets in top ten holdings*	5.85

## Analysis

# of Stock Hldgs	601
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$1,824.79
Turnover Ratio	12%
P/C Ratio	8.90
P/B Ratio	1.71
P/E Ratio	16.60

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>44.73</b>	<b>Defensive</b>	<b>16.55</b>	<b>Sensitive</b>	<b>38.72</b>
Consumer Cyclical	14.08	Healthcare	11.56	Technology	15.01
Basic Materials	5.68	Consumer Defensive	3.35	Industrials	17.84
Financial Svcs	15.79	Utilities	1.64	Energy	3.09
Real Estate	9.18			Comm Svcs	2.78

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 SmallCap S&P 600 Index Separate Account-Z.

*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).*

Standard & Poor's 600 Stock Index is a small cap index that consists of 600 domestic stocks chosen for market size, liquidity, and industry group representation.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# Diversified International Separate Account-Z as of 12/31/2020

## Investment Strategy

The investment option normally invests the majority of assets in companies in at least three different countries. It invests in securities of companies with their principal place of business or principal office outside of the United States; companies for which the principal securities trade on a foreign exchange; and companies, regardless of where their securities are traded, that derive 50% or more of their total revenue from goods or services produced or sold outside of the United States. The Separate Account may invest in securities of companies with small to medium market capitalizations.

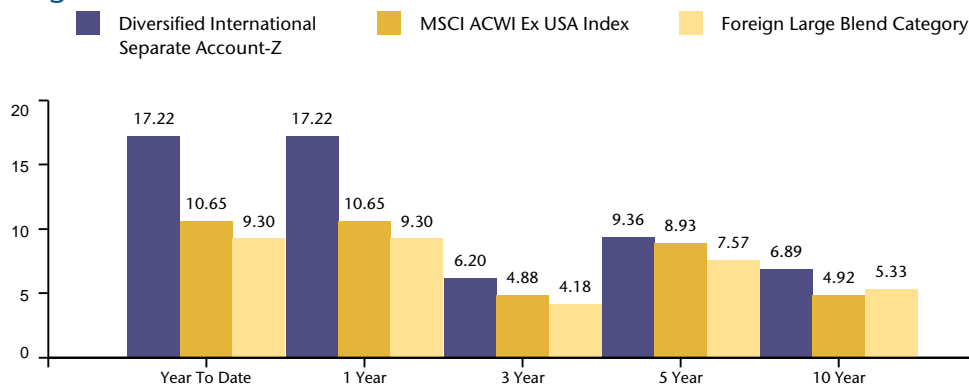


## Portfolio managers

**Paul H. Blankenhagen**, CFA. Since 12/01/2003. M.B.A., Drake University

**Juliet Cohn** Since 05/01/2004. B.A., Trinity College

## Long-term returns % as of 12/31/2020



## 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](http://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	10 Year
Total Return %		17.22	17.22	6.20	9.36	6.89
MSCI ACWI Ex USA Index %		10.65	10.65	4.88	8.93	4.92
Foreign Large Blend Category %		9.30	9.30	4.18	7.57	5.33
Morningstar Percentile Rankings		-	9	17	13	9
# of Funds in Category		785	785	676	586	382
Annual Returns		2020	2019	2018	2017	2016
Total Return %		17.22	23.49	-17.26	29.33	0.97
MSCI ACWI Ex USA Index %		10.65	21.51	-14.20	27.19	4.50
Foreign Large Blend Category %		9.30	21.59	-14.59	25.12	0.79
Morningstar Percentile Rankings		9	24	83	11	47
# of Funds in Category		785	732	741	756	762

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Foreign Large Blend

## Morningstar Style Box™

As of 11/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to MSCI ACWI Ex USA Index

	3Yr	5Yr
Alpha	1.31	0.50
Beta	1.02	0.99
R-Squared	96.64	95.21
Standard Deviation	18.83	15.69
Mean	6.20	9.36
Sharpe Ratio	0.33	0.57
Excess Return	1.31	0.42
Tracking Error	3.48	3.45
Information Ratio	0.38	0.12

## Operations

Total Investment Expense Net	0.44%
Total Investment Expense Gross	0.44%
Inception Date	05/20/1987
Total Net Assets (mil)	\$3,398.15




© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



## Portfolio information<sup>†</sup>

Composition as of 11/30/2020

Asset Distribution		Asset Type	Net %	Short %	Long %
		Non-U.S. Stocks	95.81	0.00	95.81
		U.S. Stocks	1.89	0.00	1.89
		Cash	1.17	0.00	1.17
		Other	1.13	0.00	1.13
0	25	50	75	100	

Top ten holdings	% of net assets
1. Taiwan Semiconductor Manufacturing Co Ltd	2.78
2. Samsung Electronics Co Ltd	2.39
3. Tencent Holdings Ltd	1.99
4. Nestle SA	1.96
5. Roche Holding AG Dividend Right Cert.	1.86
6. Alibaba Group Holding Ltd Ordinary Shares	1.58
7. ASML Holding NV	1.57
8. Toyota Motor Corp	1.35
9. Nintendo Co Ltd	1.33
10. Neste Corp	1.31
% of net assets in top ten holdings*	18.13

Analysis		Top 5 Countries	% of net assets	Regional exposure	% of net assets
# of Stock Hldgs	165	Japan	17.12	Europe	43.55
# of Bond Hldgs	0	Canada	8.53	Pacific Rim	24.25
# of Other Hldgs	2	United Kingdom	7.40	Japan	17.12
AvgMktCap (mil)	\$49,889.74	Germany	6.27	Other	10.23
Turnover Ratio	42%	Switzerland	6.25	Latin America	2.91
P/C Ratio	11.09			United States	1.94
P/E Ratio	17.43				
P/B Ratio	2.08				

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. 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 (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 Diversified International Separate Account-Z.

*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).*

MSCI ACWI Ex USA Index is a free float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the US.

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

# American Funds Euro Pacific Growth R6 Fund as of 12/31/2020

## Investment Strategy

The investment seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.



**CAPITAL GROUP®** | AMERICAN FUNDS

## Portfolio managers

**Carl M. Kawaja** Since 06/01/2001. B.A., Brown University

**Sung Lee** Since 06/01/2002.

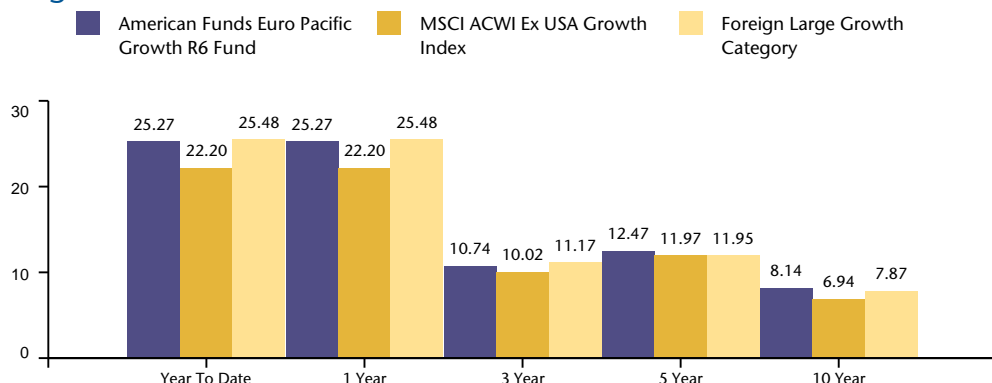
**Nicholas J. Grace** Since 06/01/2002. M.B.A., University of Wisconsin-Madison

**Jesper Lyckeus** Since 06/01/2004.

**Jonathan Knowles** Since 06/01/2006. Ph.D., University of Liverpool

**Andrew B. Suzman** Since 06/01/2007. M.B.A., Harvard University

## Long-term returns % as of 12/31/2020



## 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	10 Year
Total Return %	25.27	25.27	10.74	12.47	8.14
MSCI ACWI Ex USA Growth Index %	22.20	22.20	10.02	11.97	6.94
Foreign Large Growth Category %	25.48	25.48	11.17	11.95	7.87
Morningstar Percentile Rankings	-	33	43	38	36
# of Funds in Category	447	447	384	313	226
Annual Returns	2020	2019	2018	2017	2016
Total Return %	25.27	27.40	-14.91	31.17	1.01
MSCI ACWI Ex USA Growth Index %	22.20	27.34	-14.43	32.01	0.12
Foreign Large Growth Category %	25.48	27.83	-14.08	30.87	-2.14
Morningstar Percentile Rankings	33	59	58	44	20
# of Funds in Category	447	469	439	399	363

*Morningstar percentile rankings are based on total returns.*

## Morningstar category

Foreign Large Growth

## Morningstar Style Box™

As of 09/30/2020

Investment style			Market capitalization
Value	Blend	Growth	
			Large
			Medium
			Small

## Risk and Return Statistics

as of 12/31/2020 Relative to

MSCI ACWI Ex USA Growth Index

	3Yr	5Yr
Alpha	-0.09	-0.28
Beta	1.12	1.09
R-Squared	96.59	95.08
Standard Deviation	19.13	16.06
Mean	10.74	12.47
Sharpe Ratio	0.55	0.74
Excess Return	0.72	0.49
Tracking Error	4.12	3.79
Information Ratio	0.18	0.13

## Operations

Total Investment Expense Net	0.46%
Total Investment Expense Gross	0.46%
Inception Date	05/01/2009
Extended Performance	
Inception Date#	04/16/1984
Total Net Assets (mil)	\$192,934.03
12b-1 Fees	-
Ticker	ERGX



© 2021 Morningstar, Inc. All Rights Reserved. Part of the fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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



## Portfolio information<sup>†</sup>

Composition as of 09/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	Non-U.S. Stocks	94.87	0.00	94.87
	Cash	4.45	0.04	4.49
	U.S. Stocks	0.60	0.00	0.60
	U.S. Bonds	0.06	0.00	0.06
	Other	0.02	0.00	0.02

## Top ten holdings

	% of net assets
1. Reliance Industries Ltd	3.61
2. Alibaba Group Holding Ltd Ordinary Shares	2.75
3. ASML Holding NV	2.34
4. AIA Group Ltd	2.24
5. Daiichi Sankyo Co Ltd	2.21
6. MercadoLibre Inc	2.11
7. Keyence Corp	1.71
8. Shopify Inc A	1.71
9. Taiwan Semiconductor Manufacturing Co Ltd	1.68
10. LVMH Moet Hennessy Louis Vuitton SE	1.64
% of net assets in top ten holdings*	22.01

## Analysis

# of Stock Hldgs	328
# of Bond Hldgs	1
# of Other Hldgs	3
AvgMktCap (mil)	\$54,791.57
Turnover Ratio	38%
P/C Ratio	11.30
P/E Ratio	26.83
P/B Ratio	2.27

## Top 5 Countries

	% of net assets
Japan	15.22
China	12.44
India	8.67
United Kingdom	8.39
Brazil	6.87

## Regional exposure

	% of net assets
Europe	39.70
Pacific Rim	31.68
Japan	15.23
Latin America	7.08
Other	5.68
United States	0.63

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

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

*Investors should carefully consider a mutual fund's investment objectives, risks, charges and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting [principal.com](http://principal.com), or by calling 800-547-7754. Read the prospectus carefully before investing.*

**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.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**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.

## **STATISTICAL SECTION (UNAUDITED)**

This section of the comprehensive annual financial report on Louisiana Lottery Corporation's Retirement Plans presents detailed information as a supplement to the information presented in the financial statements and note disclosures to assist readers in assessing the overall financial health of the Retirement Plans.

<b><u>CONTENTS</u></b>	<b>PAGE</b>
<b>Financial Trends, Revenue Capacity, and Operating Information</b>	<b>97-100</b>

These schedules contain information about the Plans' historical financial position, revenue generated by investment returns, and operations.

<b>Operating Information</b>	<b>101</b>
------------------------------	------------

This schedule contains demographic and financial indicators to help readers understand the environment in which the Plans operate.

LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

Historical Statements of Changes in Net Position Available for Benefits and  
Plan Investment Returns  
Plan Years Ended December 31 for the Years Shown  
(Unaudited)

	401(a) Basic Plan										10-YEAR TOTALS
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>ADDITIONS</b>											
Investment Income	(\$270,294)	\$896,094	\$1,363,469	\$625,706	(\$71,619)	\$836,732	\$1,832,089	(\$922,427)	\$2,554,190	\$2,198,393	\$9,042,333
Less administrative and recordkeeping fees	(2,934)	(1,318)									(4,252)
Net investment income	(273,228)	894,776	1,363,469	625,706	(71,619)	836,732	1,832,089	(922,427)	2,554,190	2,198,393	9,038,081
Contributions:											
Participant	314,409	300,862	318,541	326,123	333,248	341,189	348,778	347,853	357,563	357,079	3,345,645
Employer	253,557	242,632	256,888	263,003	268,749	275,153	281,276	280,526	288,354	287,968	2,698,106
Total additions	294,738	1,438,270	1,938,898	1,214,832	530,378	1,453,074	2,462,143	(294,048)	3,200,107	2,843,440	15,081,832
<b>DEDUCTIONS</b>											
Benefits paid to participants	(622,947)	(335,667)	(622,887)	(398,158)	(347,453)	(485,054)	(231,234)	(893,001)	(164,028)	(406,224)	(4,506,653)
Distribution service fees			(600)	(680)	(870)	(880)	(640)	(800)	(650)	(736)	(5,856)
Total deductions	(622,947)	(335,667)	(623,487)	(398,838)	(348,323)	(485,934)	(231,874)	(893,801)	(164,678)	(406,960)	(4,512,509)
<b>CHANGES IN NET POSITION</b>	(328,209)	1,102,603	1,315,411	815,994	182,055	967,140	2,230,269	(1,187,849)	3,035,429	2,436,480	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	7,128,279	6,800,070	7,902,673	9,218,084	10,034,078	10,216,133	11,183,273	13,413,542	12,225,693	15,261,122	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$6,800,070	\$7,902,673	\$9,218,084	\$10,034,078	\$10,216,133	\$11,183,273	\$13,413,542	\$12,225,693	\$15,261,122	\$17,697,602	
<b>AVERAGE INVESTMENT RETURNS *</b>	-3.92%	12.17%	15.93%	6.50%	-0.71%	7.82%	14.90%	-7.20%	18.58%	13.34%	

\* Calculated as net investment income divided by the average net position balance for the year.

LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

Historical Statements of Changes in Net Position Available for Benefits and  
Plan Investment Returns  
Plan Years Ended December 31 for the Years Shown  
(Unaudited)

	401(a) Supplemental Plan										10-YEAR TOTALS
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>ADDITIONS</b>											
Investment Income	(\$150,975)	\$504,263	\$854,812	\$371,685	(\$20,097)	\$514,150	\$1,162,430	(\$589,379)	\$1,819,738	\$1,728,056	\$6,194,683
<b>Contributions:</b>											
Participant	29,786	25,225	4,663	69,783	26,016	81,231	106,757	104,434		29,429	477,324
Employer	314,191	308,166	322,092	437,302	451,090	461,795	475,618	475,480	486,326	490,437	4,222,497
<b>Total additions</b>	193,002	837,654	1,181,567	878,770	457,009	1,057,176	1,744,805	(9,465)	2,306,064	2,247,922	10,894,504
<b>DEDUCTIONS</b>											
Benefits paid to participants	(413,270)	(202,292)	(311,547)	(260,478)	(103,431)	(332,127)	(10,828)	(647,645)	(124,330)	(203,704)	(2,609,652)
Distribution service fees			(480)	(440)	(550)	(680)	(120)	(440)	(500)	(414)	(3,624)
<b>Total deductions</b>	(413,270)	(202,292)	(312,027)	(260,918)	(103,981)	(332,807)	(10,948)	(648,085)	(124,830)	(204,118)	(2,613,276)
<b>CHANGES IN NET POSITION</b>	(220,268)	635,362	869,540	617,852	353,028	724,369	1,733,857	(657,550)	2,181,234	2,043,804	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	4,059,969	3,839,701	4,475,063	5,344,603	5,962,455	6,315,483	7,039,852	8,773,709	8,116,159	10,297,393	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$3,839,701	\$4,475,063	\$5,344,603	\$5,962,455	\$6,315,483	\$7,039,852	\$8,773,709	\$8,116,159	\$10,297,393	\$12,341,197	
<b>AVERAGE INVESTMENT RETURNS *</b>	-3.82%	12.13%	17.41%	6.57%	-0.33%	7.70%	14.70%	-6.98%	19.77%	15.27%	

\* Calculated as net investment income divided by the average net position balance for the year.

LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

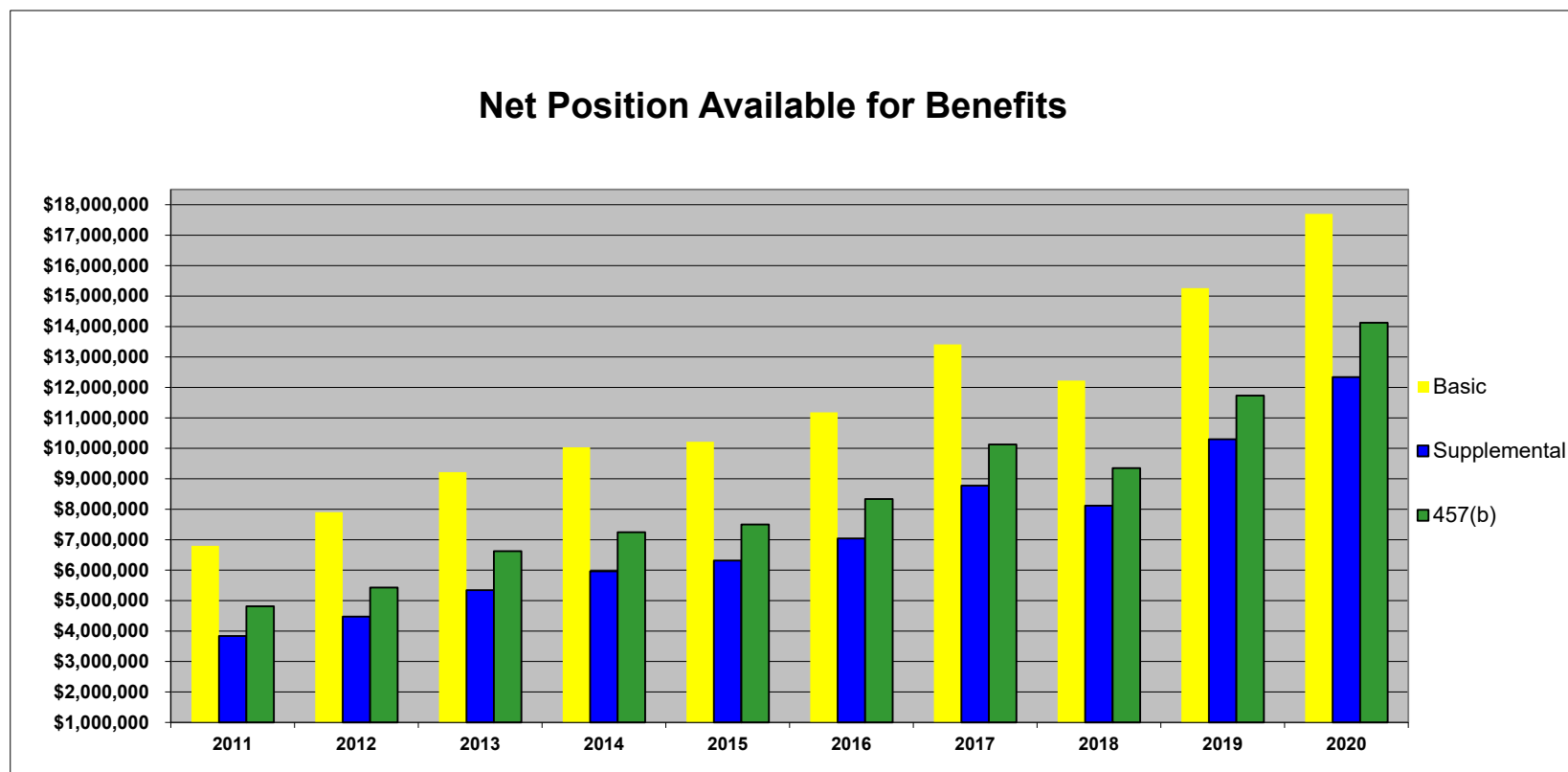
Historical Statements of Changes in Net Position Available for Benefits and  
Plan Investment Returns  
Plan Years Ended December 31 for the Years Shown  
(Unaudited)

	457(b) Retirement Plan										10-YEAR TOTALS
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>ADDITIONS</b>											
Investment Income	(\$178,963)	\$611,586	\$1,063,794	\$443,413	(\$20,042)	\$600,939	\$1,361,698	(\$607,006)	\$2,036,026	\$2,031,640	\$7,343,085
<b>Contributions:</b>											
Participant	309,563	268,443	274,821	298,622	307,587	347,995	357,191	372,226	397,115	427,164	3,360,727
Employer	117,745	109,700	137,639	166,231	171,849	191,089	192,713	190,946	196,556	204,068	1,678,536
<b>Total additions</b>	248,345	989,729	1,476,254	908,266	459,394	1,140,023	1,911,602	(43,834)	2,629,697	2,662,872	12,382,348
<b>DEDUCTIONS</b>											
Benefits paid to participants	(547,670)	(375,906)	(282,906)	(283,450)	(207,579)	(303,136)	(118,410)	(733,003)	(247,721)	(268,778)	(3,368,559)
Distribution service fees			(440)	(480)	(550)	(600)	(320)	(480)	(800)	(500)	(4,170)
<b>Total deductions</b>	(547,670)	(375,906)	(283,346)	(283,930)	(208,129)	(303,736)	(118,730)	(733,483)	(248,521)	(269,278)	(3,372,729)
<b>CHANGES IN NET POSITION</b>	(299,325)	613,823	1,192,908	624,336	251,265	836,287	1,792,872	(777,317)	2,381,176	2,393,594	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	5,114,772	4,815,447	5,429,270	6,622,178	7,246,514	7,497,779	8,334,066	10,126,938	9,349,621	11,730,797	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$4,815,447	\$5,429,270	\$6,622,178	\$7,246,514	\$7,497,779	\$8,334,066	\$10,126,938	\$9,349,621	\$11,730,797	\$14,124,391	
<b>AVERAGE INVESTMENT RETURNS *</b>	-3.60%	11.94%	17.65%	6.39%	-0.27%	7.59%	14.75%	-6.23%	19.32%	15.72%	

\* Calculated as net investment income divided by the average net position balance for the year.

LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

Financial Trend Information  
Plan Years Ended December 31 for the Years Shown  
(Unaudited)



LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

Operating Information - Participation and Deferral Trends  
Plan Years Ended December 31 for the Years Shown  
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>401(a) Basic Plan</i>										
<b>Number of Participants</b>	119	115	113	112	113	109	108	107	105	103
<b>Total Annual Participant Deferrals</b>	\$314,409	\$300,862	\$318,541	\$326,123	\$333,248	\$341,189	\$348,778	\$347,853	\$357,563	\$357,079
<b>Net Position Available for Benefits</b>	\$6,800,070	\$7,902,673	\$9,218,084	\$10,034,078	\$10,216,133	\$11,183,273	\$13,413,542	\$12,225,693	\$15,261,122	\$17,697,602

<i>401(a) Supplemental Plan</i>										
<b>Number of Participants</b>	105	105	104	103	104	100	99	99	98	96
<b>Total Annual Employer Contributions</b>	\$314,191	\$308,166	\$322,092	\$437,302	\$451,090	\$461,795	\$475,618	\$475,480	\$486,326	\$490,437
<b>Net Position Available for Benefits</b>	\$3,839,701	\$4,475,063	\$5,344,603	\$5,962,455	\$6,315,483	\$7,039,852	\$8,773,709	\$8,116,159	\$10,297,393	\$12,341,197

<i>457(b) Retirement Plan</i>										
<b>Number of Participants</b>	100	99	94	92	89	89	90	85	86	86
<b>Total Annual Participant Deferrals</b>	\$309,563	\$268,443	\$274,821	\$298,622	\$307,587	\$347,995	\$357,191	\$372,226	\$397,115	\$427,164
<b>Average Deferral per Participant</b>	\$3,096	\$2,712	\$2,924	\$3,246	\$3,456	\$3,910	\$3,969	\$4,379	\$4,618	\$4,967
<b>Annual Covered Payroll</b>	\$5,256,684	\$5,043,751	\$5,332,904	\$5,476,300	\$5,650,036	\$5,763,152	\$5,910,213	\$5,890,541	\$6,189,870	\$6,102,384
<b>Deferrals Percentage of Compensation</b>	5.89%	5.32%	5.15%	5.45%	5.44%	6.04%	6.04%	6.32%	6.42%	7.00%
<b>Net Position Available for Benefits</b>	\$4,815,447	\$5,429,270	\$6,622,178	\$7,246,514	\$7,497,779	\$8,334,066	\$10,126,938	\$9,349,621	\$11,730,797	\$14,124,391





**OTHER REPORT REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.





LOUISIANA LEGISLATIVE AUDITOR  
MICHAEL J. "MIKE" WAGUESPACK, CPA

June 22, 2021

Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA  
Baton Rouge, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans (the Plans) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated June 22, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plans' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of the Plans' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plans' financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plans' internal control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

DG:EM:RR:EFS:aa

LLCRP20