



Principal Financial Advisors, Inc.

April 2020

Personal & Confidential  
Ms. Emily Ward  
Director of Administrative Services  
South Dakota Depart. of Labor & Regulation  
700 Governors Drive  
Pierre, SD 57501-2291

RE: South Dakota Department of Labor Retirement Plan  
Contract No: 4-15193

Dear Ms. Ward,

Thank you for being a continuing client of Principal Financial Advisors. Enclosed is a copy of your Investment Advisory Report. We are pleased to continue working with you and hope that you find this summary helpful.


Principal Financial Advisors, Inc., is a registered investment adviser under Principal Global Investors LLC. Principal Global Investors is a member of the Principal Financial Group<sup>®</sup>. Federal securities laws require us to offer you a copy of Principal Financial Advisors ADV Part 2. This filing provides information about Principal Financial Advisors and the services we offer. Please let me know if you would like a copy of the ADV Part 2.

Please contact me at the number below if you have any questions regarding this report.

Best regards,



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Compliance Approval No. 795171-202104

Principal Financial Advisors, Inc.



Investment Advisory Report  
South Dakota Department of Labor Retirement Plan  
Contract No. 4-15193  
July 01, 2019 - March 31, 2020

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# Principal Financial Advisors, Inc. Overview

As a retirement plan sponsor, you face significant challenges in managing the plan on behalf of participants – fiduciary responsibility, risk management and plan investment decisions, just to name a few. **When you appoint Principal Financial Advisors, Inc. as the plan's ERISA Section 3(38) investment manager, we team with you to address these challenges.**

For more than 30 years, Principal Financial Advisors (a registered investment advisor under Principal Global Investors LLC) has been managing investment strategies. As of December 31, 2019, we manage more than \$8.8 billion in assets and have nearly 300 clients using our advisory services for retirement plans.

Our mission is to provide high-quality investment advisory and consulting services to help clients meet their goals and objectives by offering access to premier investment managers and customized investment strategies.

The investment advisory services of Principal Financial Advisors are consistent with the following core beliefs:

- 1) Strategic asset allocation selection and implementation play key roles in a retirement plan's ability to successfully meet its obligations over the long term.
- 2) Careful analysis of a retirement plan's assets, liabilities and unique attributes guides asset allocation decisions.
- 3) Diversifying by asset class, style and investment manager is one of the most effective ways to control investment risk.
- 4) A portfolio's long-term success depends substantially on selecting appropriate managers and carefully monitoring their performance over time.

Principal Financial Advisors provides:

- 1) A customized investment strategy based on the plan's unique situation.
- 2) Assumption of fiduciary responsibility for asset allocation decisions.<sup>1</sup>
- 3) Benefits of the due diligence process of Principal Life Insurance Company.<sup>2</sup>
- 4) Experienced investment personnel, comprehensive reporting and top-tier client service.

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<sup>1</sup>The plan sponsor remains the plan's named fiduciary, but Principal Financial Advisors, Inc. has been appointed as the plan's ERISA Section 3(38) investment manager.

<sup>2</sup>Principal Life Insurance Company is responsible for the hiring and monitoring of investment managers made available to you through the due diligence process. Principal Financial Advisors selects from these investment options for retirement portfolios.

# Portfolio and Strategic Asset Allocation Review

Investment Review - Allocation 07/01/2019 through 03/31/2020				
Inv Manager or Sub-Advisor	Beginning Balance	Breakdown %	Ending Balance	Breakdown %
<b>Investment Option</b>				
<b>Large U.S. Equity</b>				
<b>Large Value</b>				
<i>Principal Global Investors</i> Equity Income Separate Account-Z <sup>3, 9, 19</sup>	\$7,202,270	12.66%	\$0	0.00%
<b>Large Blend</b>				
<i>Principal Global Investors</i> LargeCap S&P 500 Index Separate Account-Z <sup>2, 8, 16, 17, 27</sup>	\$3,063,605	5.39%	\$20,528,938	40.31%
<b>Large Growth</b>				
<i>T. Rowe Price/Brown Advisory</i> LargeCap Growth I Separate Account-Z <sup>3, 12, 18</sup>	\$7,387,390	12.99%	\$0	0.00%
<b>Small/Mid U.S. Equity</b>				
<b>Mid Cap Value</b>				
<i>LA Capital Mgmt/Victory</i> MidCap Value I Separate Account-Z <sup>1, 3, 12, 18</sup>	\$1,029,864	1.81%	\$856,286	1.68%
<b>Mid Cap Growth</b>				
<i>Robert Baird/Eagle Asset Mgmt</i> MidCap Growth III Separate Account-Z <sup>1, 3, 12, 18, 20</sup>	\$1,104,826	1.94%	\$877,579	1.72%
<b>Small Value</b>				
<i>Vaughan Nelson/LA Capital/H&amp;W</i> SmallCap Value II Separate Account-Z <sup>1, 3, 12, 18, 24</sup>	\$521,244	0.92%	\$457,037	0.90%
<b>Small Growth</b>				
<i>AB/Brown/Emerald</i> SmallCap Growth I Separate Account-Z <sup>1, 3, 12, 18</sup>	\$579,784	1.02%	\$470,768	0.92%
<b>International Equity</b>				
<b>Diversified Emerging Markets</b>				
<i>Principal Global Investors</i> International Emerging Markets Separate Account-Z <sup>4, 17</sup>	\$2,124,130	3.73%	\$2,462,509	4.84%
<b>Foreign Large Value</b>				
<i>Causeway / Barrow Hanley</i> Overseas Separate Account-Z <sup>3, 4, 12, 18</sup>	\$6,759,287	11.88%	\$2,312,915	4.54%

# Portfolio and Strategic Asset Allocation Review

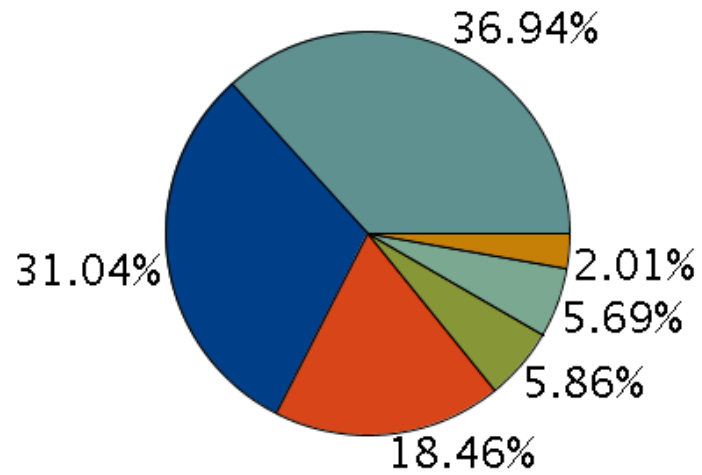
Investment Review - Allocation 07/01/2019 through 03/31/2020				
<i>Inv Manager or Sub-Advisor</i>	Beginning Balance	Breakdown %	Ending Balance	Breakdown %
<b>Foreign Large Blend</b>				
<i>Principal Global Investors</i> Diversified International Separate Account-Z <sup>4, 17</sup>	\$0	0.00%	\$2,351,849	4.62%
<b>Foreign Small/Mid Blend</b>				
<i>Principal Global Investors</i> International SmallCap Separate Account-Z <sup>1, 4, 17, 26</sup>	\$1,614,265	2.84%	\$1,634,564	3.21%
<b>Real Estate</b>				
<b>Owned Real Estate</b>				
<i>Principal Real Estate Inv</i> U.S. Property Separate Account-Z <sup>14, 17</sup>	\$3,335,133	5.86%	\$3,007,409	5.91%
<b>Balanced/Asset Allocation</b>				
<b>World Allocation</b>				
<i>Multiple Sub-Advisors</i> Diversified Real Asset Separate Account-Z <sup>3, 9, 13, 16, 18</sup>	\$1,145,295	2.01%	\$1,008,440	1.98%
<b>Short-Term Fixed Income</b>				
<b>Money Market</b>				
<i>Principal Global Investors</i> Liquid Assets Separate Account-Z <sup>6, 15, 17</sup>	\$0	0.00%	\$4,496,914	8.83%
<b>Fixed Income</b>				
<b>High Yield Bond</b>				
<i>Mellon/DDJ/Post</i> High Income Separate Account-Z <sup>3, 5, 10, 11, 18, 21</sup>	\$1,136,055	2.00%	\$959,878	1.88%
<b>Intermediate Core Bond</b>				
<i>Principal Global Investors</i> Bond Market Index Separate Account-Z <sup>2, 10, 11, 18</sup>	\$8,198,378	14.42%	\$4,554,586	8.94%
<i>Principal Global Investors</i> Core Fixed Income Separate Account-Z <sup>3, 9, 10, 11, 19</sup>	\$0	0.00%	\$4,946,871	9.71%
<b>Intermediate Core-Plus Bond</b>				
<i>Principal Global Investors</i> Core Plus Bond Separate Account-Z <sup>10, 11, 16, 17</sup>	\$11,671,820	20.52%	\$0	0.00%
<b>TOTAL</b>	<b>\$56,873,346</b>	<b>100%</b>	<b>\$50,926,543</b>	<b>100%</b>

Please see important information at the end of this presentation.

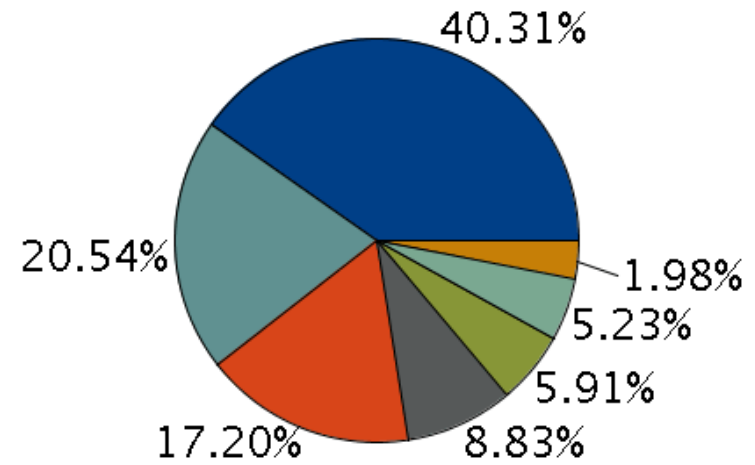
# Portfolio and Strategic Asset Allocation Review

## Allocation of Assets

Beginning % As Of 07/01/2019



Ending % As Of 03/31/2020



- Large U.S. Equity
- Fixed Income
- International Equity
- Short-Term Fixed Income
- Real Estate
- Small/Mid U.S. Equity
- Balanced/Asset Allocation

# Portfolio and Strategic Asset Allocation Review

The table below illustrates the plan's target allocation at the beginning and end of the reporting period.

Your plan's assets and liabilities are reviewed periodically during the year and we make changes as needed. We will continue to monitor your plan and adjust its allocation as necessary.

Target Allocation 07/01/2019 through 03/31/2020			
Investment Advisor	Investment Option	Beginning Allocation	Ending Allocation
	<b>Large U.S. Equity</b>	<b>28.60%</b>	<b>39.60%</b>
	<b>Large Value</b>		
Principal Global Investors	Equity Income Separate Account-Z <sup>3, 9, 19</sup>	11.80%	0.00%
	<b>Large Blend</b>		
Principal Global Investors	LargeCap S&P 500 Index Separate Account-Z <sup>2, 8, 16, 17, 27</sup>	5.00%	39.60%
	<b>Large Growth</b>		
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-Z <sup>3, 12, 18</sup>	11.80%	0.00%
	<b>Small/Mid U.S. Equity</b>	<b>5.20%</b>	<b>5.20%</b>
	<b>Mid Cap Value</b>		
LA Capital Mgmt/Victory	MidCap Value I Separate Account-Z <sup>1, 3, 12, 18</sup>	1.70%	1.70%
	<b>Mid Cap Growth</b>		
Robert Baird/Eagle Asset Mgmt	MidCap Growth III Separate Account-Z <sup>1, 3, 12, 18, 20</sup>	1.70%	1.70%
	<b>Small Value</b>		
Vaughan Nelson/LA Capital/H&W	SmallCap Value II Separate Account-Z <sup>1, 3, 12, 18, 24</sup>	0.90%	0.90%
	<b>Small Growth</b>		
AB/Brown/Emerald	SmallCap Growth I Separate Account-Z <sup>1, 3, 12, 18</sup>	0.90%	0.90%
	<b>International Equity</b>	<b>18.20%</b>	<b>17.20%</b>
	<b>Diversified Emerging Markets</b>		
Principal Global Investors	International Emerging Markets Separate Account-Z <sup>4, 17</sup>	3.70%	5.00%
	<b>Foreign Large Value</b>		
Causeway / Barrow Hanley	Overseas Separate Account-Z <sup>3, 4, 12, 18</sup>	11.80%	4.50%
	<b>Foreign Large Blend</b>		
Principal Global Investors	Diversified International Separate Account-Z <sup>4, 17</sup>	0.00%	4.50%
	<b>Foreign Small/Mid Blend</b>		
Principal Global Investors	International SmallCap Separate Account-Z <sup>1, 4, 17, 26</sup>	2.70%	3.20%
	<b>Real Estate</b>	<b>6.00%</b>	<b>6.00%</b>
	<b>Owned Real Estate</b>		
Principal Real Estate Inv	U.S. Property Separate Account-Z <sup>14, 17</sup>	6.00%	6.00%

# Portfolio and Strategic Asset Allocation Review

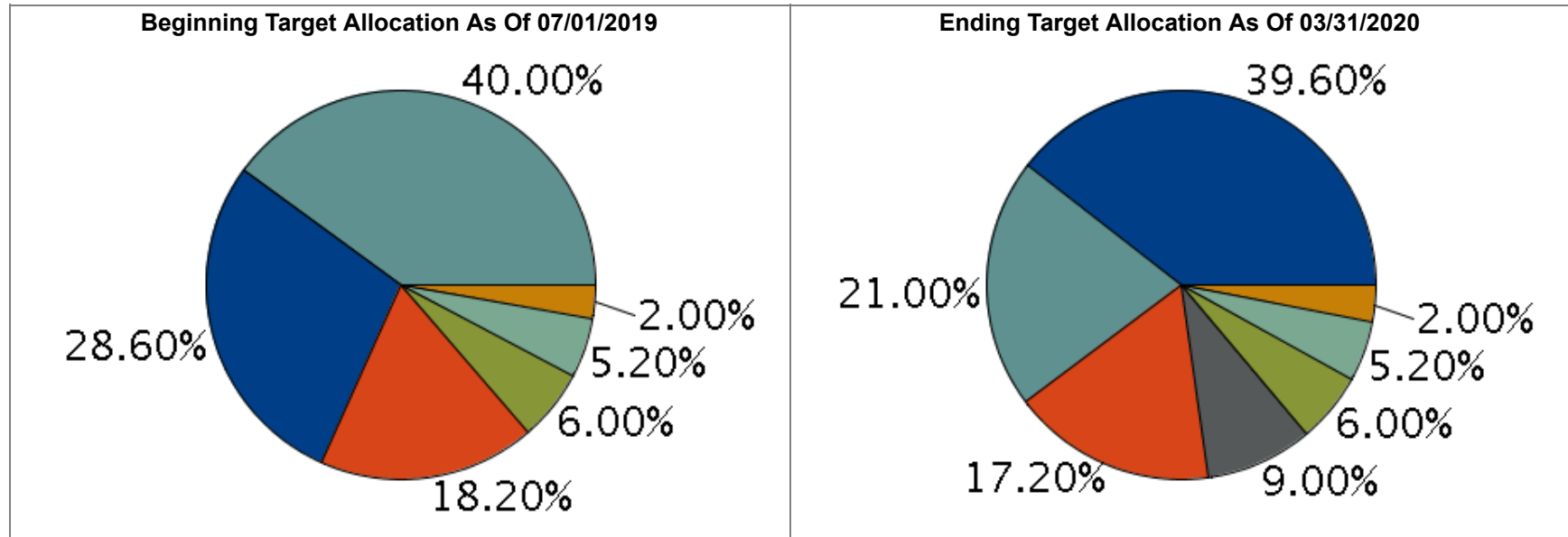
Target Allocation 07/01/2019 through 03/31/2020			
Investment Advisor	Investment Option	Beginning Allocation	Ending Allocation
	Balanced/Asset Allocation	2.00%	2.00%
	<b>World Allocation</b>		
Multiple Sub-Advisors	Diversified Real Asset Separate Account-Z <sup>3, 9, 13, 16, 18</sup>	2.00%	2.00%
	Short-Term Fixed Income	0.00%	9.00%
	<b>Money Market</b>		
Principal Global Investors	Liquid Assets Separate Account-Z <sup>6, 15, 17</sup>	0.00%	9.00%
	Fixed Income	40.00%	21.00%
	<b>High Yield Bond</b>		
Mellon/DDJ/Post	High Income Separate Account-Z <sup>3, 5, 10, 11, 18, 21</sup>	2.00%	2.00%
	<b>Intermediate Core Bond</b>		
Principal Global Investors	Bond Market Index Separate Account-Z <sup>2, 10, 11, 18</sup>	15.50%	9.00%
Principal Global Investors	Core Fixed Income Separate Account-Z <sup>3, 9, 10, 11, 19</sup>	0.00%	10.00%
	<b>Intermediate Core-Plus Bond</b>		
Principal Global Investors	Core Plus Bond Separate Account-Z <sup>10, 11, 16, 17</sup>	22.50%	0.00%

Please see important information at the end of this presentation.



# Portfolio and Strategic Asset Allocation Review














Please note that a slight variance between your plan's target allocation displayed in this report and its weightings is normal. This variance is due to changes in your account values caused by fluctuations in the market. We periodically initiate rebalancing transfers to bring the plan's assets back to its target allocation.










- Large U.S. Equity
- Small/Mid U.S. Equity
- International Equity
- Real Estate
- Balanced/Asset Allocation
- Fixed Income

# Portfolio and Strategic Asset Allocation Review

This section of your report includes all investment options with plan assets as of the end of the reporting period.

Large U.S. Equity		
Large Value	Large Blend	Large Growth
Equity Income Separate Account-Z <sup>3, 9, 19</sup> 	LargeCap S&P 500 Index Separate Account-Z <sup>2, 8, 16, 17, 27 ++</sup>	LargeCap Growth I Separate Account-Z <sup>3, 12, 18</sup>  
Small/Mid U.S. Equity		
Mid Cap Value	Mid Cap Blend	Mid Cap Growth
MidCap Value I Separate Account-Z <sup>1, 3, 12, 18</sup>  		MidCap Growth III Separate Account-Z <sup>1, 3, 12, 18, 20</sup>  
Small Value	Small Blend	Small Growth
SmallCap Value II Separate Account-Z <sup>1, 3, 12, 18, 24</sup>   		SmallCap Growth I Separate Account-Z <sup>1, 3, 12, 18</sup>   

# Portfolio and Strategic Asset Allocation Review

International Equity	Real Estate	Balanced/Asset Allocation
<p>Overseas Separate Account-Z<sup>3, 4, 12, 18</sup></p>  <p>BARROW, HANLEY, MEWHINNEY &amp; STRAUSS, LLC</p> <p>Diversified International Separate Account-Z<sup>4, 17</sup></p> <p>International Emerging Markets Separate Account-Z<sup>4, 17</sup></p> <p>International SmallCap Separate Account-Z<sup>1, 4, 17, 26</sup></p> 	<p>U.S. Property Separate Account-Z<sup>14, 17</sup></p> 	<p>Diversified Real Asset Separate Account-Z<sup>3, 9, 13, 16, 18</sup></p> 
Short-Term Fixed Income	Fixed Income	
<p>Liquid Assets Separate Account-Z<sup>6, 15, 17</sup></p> 	<p>High Income Separate Account-Z<sup>3, 5, 10, 11, 18, 21</sup></p>  <p>Bond Market Index Separate Account-Z<sup>2, 10, 11, 18</sup></p> <p>Core Fixed Income Separate Account-Z<sup>3, 9, 10, 11, 19</sup></p> 	

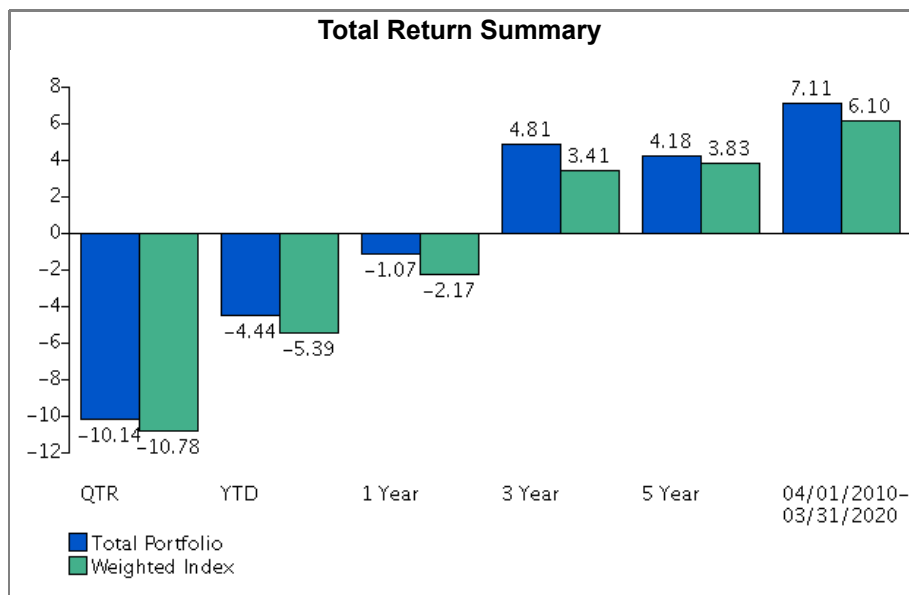
Please see important information at the end of this presentation.

# Portfolio Performance Review

## Time & Dollar Weighted Rates of Return March 31, 2020

Time & Dollar Weighted Returns	QTR	YTD*	1 Year	3 Year	5 Year	10 Year
Total Portfolio Return	-10.14	-4.44	-1.07	4.81	4.18	7.11
Weighted Index	-10.78	-5.39	-2.17	3.41	3.83	6.10
Excess Return	0.64	0.95	1.10	1.40	0.35	1.01

Asset Class Return Information	QTR	YTD*	1 Year	3 Year	5 Year	10 Year
Your Plan's U.S. Equity Return	-17.00	-6.36	-0.93	10.62	8.23	11.51
Standard & Poor's 1500 Total Market Stock Index	-20.57	-12.16	-8.51	4.22	6.15	10.31
Your Plan's International Equity Return	-25.84	-18.32	-16.74	-4.88	-2.87	1.20
MSCI ACWI Ex USA Index	-23.36	-18.02	-15.57	-1.96	-0.64	2.05
Your Plan's Real Asset Return	-4.60	-1.30	0.10	4.85	4.23	8.16
Blended Real Asset Index	-4.78	-2.47	-1.30	2.08	1.91	4.18
Your Plan's Fixed Income Return	0.24	2.70	5.86	3.86	2.94	4.25
Bloomberg Barclays Aggregate Bond Index	3.15	5.68	8.93	4.82	3.36	3.88



We calculated performance of your plan assets with information provided to us by Principal Life Insurance Company from your March 31, 2020 Contractholder Fund Statement.

Your portfolio's returns are net of investment management expenses and are based on your plan's specific activity. The returns take into consideration contributions, benefit payments, transfers and other withdrawals. The index returns do not include any expenses or cash flows.

\*YTD represents plan year time frame from 7/1/2019 through 3/31/2020.

Please see important information at the end of this presentation.

# Investment Option Performance

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

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

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

Inv Manager or Sub-Advisor Investment Option	Average Annual Total Returns through 03/31/2020						Percentile Rankings as of 03/31/2020					Total Inv. Exp. Net / Gross	Contractual Cap/Waiver Expire Date	
	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Last 3 mos	1 yr.	3 yr.	5 yr.			10 yr.
<b>Large U.S. Equity</b>														
<b>Large Value</b>														
Principal Global Investors Equity Income Separate Account-Z <sup>3, 9, 19</sup>	-25.33	-13.09	1.95	4.29	8.98	8.71	06/30/2009	-	19	8	10	9	0.30 / 0.31	02/28/2021
Russell 1000 Value Index	-26.73	-17.17	-2.18	1.90	7.67	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Large Value	-26.77	-17.73	-2.11	1.42	6.89	Total Funds in Category		1253	1212	1107	957	703	-	-
<b>Large Blend</b>														
Principal Global Investors LargeCap S&P 500 Index Separate Account-Z <sup>2, 8, 16, 17, 27</sup>	-19.57	-7.00	5.06	6.67	10.46	9.00	01/01/1990	-	26	20	13	9	0.05 / 0.05	-
Standard & Poor's 500 Index	-19.60	-6.98	5.10	6.73	10.53	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Large Blend	-20.92	-9.97	2.80	4.46	8.84	Total Funds in Category		1440	1372	1214	1048	800	-	-
<b>Large Growth</b>														
T. Rowe Price/Brown Advisory LargeCap Growth I Separate Account-Z <sup>3, 12, 18</sup>	-13.65	-0.38	13.98	11.27	13.51	6.82	12/29/2000	-	29	8	9	10	0.39 / 0.41	02/28/2021
Russell 1000 Growth Index	-14.10	0.91	11.32	10.36	12.97	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Large Growth	-15.48	-3.72	8.65	7.64	10.99	Total Funds in Category		1388	1358	1231	1086	812	-	-
<b>Small/Mid U.S. Equity</b>														
<b>Mid Cap Value</b>														
LA Capital Mgmt/Victory MidCap Value I Separate Account-Z <sup>1, 3, 12, 18</sup>	-29.40	-21.00	-4.08	-0.60	7.04	6.62	07/01/1999	-	24	13	29	16	0.50 / 0.52	02/28/2021
Russell Midcap Value Index	-31.71	-24.13	-5.97	-0.76	7.22	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Mid Cap Value	-32.53	-25.38	-6.89	-1.79	5.69	Total Funds in Category		433	426	388	345	241	-	-

# Investment Option Performance

Inv Manager or Sub-Advisor Investment Option	Average Annual Total Returns through 03/31/2020						Percentile Rankings as of 03/31/2020						Total Inv. Exp. Net / Gross	Contractual Cap/Waiver Expire Date
	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.		
<b>Mid Cap Growth</b>														
Robert Baird/Eagle Asset Mgmt MidCap Growth III Separate Account-Z <sup>1, 3, 12, 18, 20</sup>	-19.96	-8.08	6.73	4.98	9.33	6.22	10/28/1999	-	31	29	43	57	0.60 / 0.62	- 02/28/2021
Russell Midcap Growth Index	-20.04	-9.45	6.53	5.61	10.89	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Mid Cap Growth	-20.64	-11.17	4.66	4.33	9.46	Total Funds in Category		625	611	567	498	386	-	-
<b>Small Value</b>														
Vaughan Nelson/LA Capital/H&W SmallCap Value II Separate Account-Z <sup>1, 3, 12, 18, 24</sup>	-35.47	-29.62	-9.67	-3.18	5.41	5.05	06/01/2004	-	31	31	29	19	0.71 / 0.75	02/28/2021 02/28/2021
Russell 2000 Value Index	-35.66	-29.64	-9.51	-2.42	4.79	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Small Value	-36.89	-31.64	-11.15	-4.27	3.93	Total Funds in Category		450	432	407	356	250	-	-
<b>Small Growth</b>														
AB/Brown/Emerald SmallCap Growth I Separate Account-Z <sup>1, 3, 12, 18</sup>	-22.00	-13.97	5.61	5.49	11.35	5.80	12/29/2000	-	28	25	19	10	0.64 / 0.66	02/28/2021 02/28/2021
Russell 2000 Growth Index	-25.76	-18.58	0.10	1.70	8.89	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Small Growth	-24.59	-17.66	1.69	2.77	8.81	Total Funds in Category		654	635	577	502	381	-	-
<b>International Equity</b>														
<b>Diversified Emerging Markets</b>														
Principal Global Investors International Emerging Markets Separate Account-Z <sup>4, 17</sup>	-24.39	-18.31	-3.73	-1.67	0.56	6.96	01/01/1995	-	44	54	59	44	0.73 / 0.73	- -
MSCI Emerging Markets NR Index	-23.60	-17.69	-1.62	-0.37	0.68	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Diversified Emerging Markets	-25.26	-19.17	-3.34	-1.35	0.49	Total Funds in Category		856	825	707	580	237	-	-
<b>Foreign Large Value</b>														
Causeway / Barrow Hanley Overseas Separate Account-Z <sup>3, 4, 12, 18</sup>	-31.34	-24.43	-7.21	-3.96	1.20	2.24	09/30/2008	-	75	71	66	44	0.62 / 0.66	- 02/28/2021
MSCI EAFE Value Index	-28.20	-22.76	-6.65	-3.83	0.62	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Foreign Large Value	-27.33	-21.18	-6.02	-3.32	0.86	Total Funds in Category		341	332	298	246	162	-	-
<b>Foreign Large Blend</b>														
Principal Global Investors Diversified International Separate Account-Z <sup>4, 17</sup>	-22.79	-14.30	-1.96	-0.20	3.78	6.45	05/20/1987	-	34	37	21	6	0.44 / 0.44	- -
MSCI ACWI Ex USA Index	-23.36	-15.57	-1.96	-0.64	2.05	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Foreign Large Blend	-23.39	-15.67	-2.74	-1.14	2.15	Total Funds in Category		790	743	638	503	369	-	-

# Investment Option Performance

Inv Manager or Sub-Advisor Investment Option	Average Annual Total Returns through 03/31/2020						Percentile Rankings as of 03/31/2020						Total Inv. Exp. Net / Gross	Contractual Cap/Waiver Expire Date
	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.		
<b>Foreign Small/Mid Blend</b>														
<i>Principal Global Investors</i> International SmallCap Separate Account-Z <sup>1, 4,</sup> 17, 26	-30.51	-21.30	-4.25	0.19	5.31	9.50	01/01/1995	-	50	29	14	10	0.72 / 0.72	-
MSCI World Ex US Small Cap Index	-28.39	-19.04	-3.60	0.39	3.95	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Foreign Small/Mid Blend	-28.31	-20.65	-5.20	-1.22	3.22	Total Funds in Category		123	118	98	73	53	-	-
<b>Real Estate</b>														
<b>Owned Real Estate</b>														
<i>Principal Real Estate Inv</i> U.S. Property Separate Account-Z <sup>14, 17</sup>	0.43	4.88	7.08	8.60	11.66	7.18	01/01/1982	-	-	-	-	-	0.79 / 0.79	-
NFI-ODCE Equal-Weight	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balanced/Asset Allocation</b>														
<b>World Allocation</b>														
<i>Multiple Sub-Advisors</i> Diversified Real Asset Separate Account-Z <sup>3, 9,</sup> 13, 16, 18	-19.46	-14.58	-2.88	-2.40	2.03	2.02	12/31/2010	-	81	81	90	89	0.57 / 0.61	12/30/2020 12/30/2020
Diversified Real Asset Strategic Index	-18.88	-14.29	-2.34	-0.97	1.10	-	-	-	-	-	-	-	-	-
Morningstar Category Average - World Allocation	-17.47	-11.01	-1.46	0.13	3.57	Total Funds in Category		501	466	396	329	199	-	-
<b>Short-Term Fixed Income</b>														
<b>Money Market</b>														
<i>Principal Global Investors</i> Liquid Assets Separate Account-Z <sup>6, 15, 17</sup>	0.36	1.95	1.72	1.15	0.60	4.57	12/10/1980	-	-	-	-	-	0.18 / 0.18	-
Bloomberg Barclays Treasury Bellwethers 3 Month Index	0.58	2.28	1.85	1.21	0.65	-	-	-	-	-	-	-	-	-
Morningstar Category Average - Money Market	0.25	1.54	1.30	0.81	0.41	Total Funds in Category		572	548	511	437	393	-	-

# Investment Option Performance

Inv Manager or Sub-Advisor Investment Option	Average Annual Total Returns through 03/31/2020							Percentile Rankings as of 03/31/2020							Total Inv. Exp. Net / Gross	Contractual Cap/Waiver / Expire Date
	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	Last 3 mos	1 yr.	3 yr.	5 yr.	10 yr.				
<b>Fixed Income</b>																
<b>High Yield Bond</b>																
<i>Mellon/DDJ/Post</i> High Income Separate Account-Z <sup>3, 5, 10, 11, 18, 21</sup>	-12.68	-8.36	-0.49	1.43	4.74	5.85	12/31/2004	-	64	66	66	42	0.46 / 0.48	-	02/28/2022	
Bloomberg Barclays US Corp High Yld 2% Issuer Capped Index	-12.68	-6.94	0.76	2.78	5.64	-	-	-	-	-	-	-	-	-	-	
<b>Morningstar Category Average - High Yield Bond</b>	<b>-12.70</b>	<b>-7.67</b>	<b>-0.18</b>	<b>1.66</b>	<b>4.52</b>	<b>Total Funds in Category</b>		<b>719</b>	<b>699</b>	<b>621</b>	<b>540</b>	<b>338</b>	<b>-</b>	<b>-</b>		
<b>Intermediate Core Bond</b>																
<i>Principal Global Investors</i> Bond Market Index Separate Account-Z <sup>2, 10, 11, 18</sup>	3.23	8.81	4.64	3.13	3.63	3.68	12/30/2009	-	18	19	28	53	0.16 / 0.16	-	-	
Bloomberg Barclays Aggregate Bond Index	3.15	8.93	4.82	3.36	3.88	-	-	-	-	-	-	-	-	-	-	
<i>Principal Global Investors</i> Core Fixed Income Separate Account-Z <sup>3, 9, 10, 11, 19</sup>	-0.41	5.02	4.13	3.35	4.70	7.63	06/30/2009	-	84	45	11	3	0.31 / 0.31	-	02/28/2021	
Bloomberg Barclays Aggregate Bond Index	3.15	8.93	4.82	3.36	3.88	-	-	-	-	-	-	-	-	-	-	

This section of your report includes all investment options with plan assets as of the end of the reporting period.

Please see important information at the end of this presentation.



# Important Information

*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.*

+ *This is not a sub-advised investment option. Guarantees are backed by all the assets in the Principal Life general account.*

++ *Investment options sub-advised by Principal Global Investors.*

*Investment Advisory Services are provided by Principal Financial Advisors, Inc., a registered investment advisor and wholly owned subsidiary of the Principal Financial Group®.*

*No investment strategy, such as diversification or asset allocation, can guarantee a profit or protect against loss in periods of declining value.*

*Asset allocation strategies are developed using Separate Accounts available through a group annuity contract of Principal Life Insurance Company.*

***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.***

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

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

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*Compliance number: t14092601zk*

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

*2. Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.*

3. *This Separate Account invests solely in the least expensive share class of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*
4. *International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.*
5. *High yield investment options are subject to greater credit risk and volatility that is associated with high yield bonds.*
6. *Liquid asset investment options are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), or any other government agency. Although the investment option may seek to preserve the value of an investment, it is possible to lose money by investing in the portfolio.*
8. *S&P 500 is a trademark of S&P Global and is used under license. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.*
9. *These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.*
10. *Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.*
11. *Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.*
12. *This Separate Account invests solely in the least expensive share class of a mutual fund (Fund) from Principal Funds, Inc. The investment manager of the Fund, Principal Global Investors, invests between 10% and 40% of the Fund's assets in common stocks in an attempt to match or exceed the performance of the Fund's benchmark index for performance.*
13. *Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. or any other government entity. Concentrating investments in natural resources industries can be affected significantly by events relating to those industries, such as variations in the commodities markets, weather, disease, embargoes, international, political and economic developments, the success of exploration projects, tax and other government regulations and other factors. Investment in derivatives entails specific risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. REIT securities are subject to risk factors associated with the real estate industry and tax factors of REIT registration. An MLP that invests in a particular industry (e.g., oil and gas) may be harmed by detrimental economic events within that industry. As partnerships, MLPs may be subject to less regulation (and less protection for investors) under state laws than corporations. In addition, MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income paid by an MLP to its investors.*
14. *If you elect to contribute funds into the Principal US Property Separate Account (Separate Account), you may not be able to immediately withdraw them. This Separate Account is unlike most other retirement plan investment options because it invests primarily in owned private equity commercial real estate rather than securities. Unlike public securities sold on an exchange, commercial real estate assets are usually sold in time-consuming, and often complex, transactions. Due to the nature of these transactions, this Separate Account may be subject to market conditions which may delay or prevent a sale. We may implement a pre-existing contractual limitation in the group annuity contract which will allow us to manage this Separate Account and satisfy withdrawal requests proportionately over time and fairly among all those who request a withdrawal.*

15. *The net return experienced may be negative if the costs to maintain and operate the Liquid Assets Separate Account exceed returns. Participants may also see negative returns if plan expenses, if applicable, are netted or deducted from their accounts.*
16. *The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations; and the inability to close out certain hedged positions to avoid adverse tax consequences.*
17. *Investment manager/sub-advisor means either the Investment Advisor or Sub-Advisor to the investment option or the underlying asset(s). Principal Life Insurance Company is the Investment Manager as defined by ERISA, with regard to the assets of the Separate Accounts. Principal Global Investors is a member of the Principal Financial Group.*
18. *Investment manager/sub-advisor means either the Investment Advisor or Sub-Advisor to the investment option or the underlying asset(s).*
19. *Investment manager/sub-advisor means either the Investment Advisor or Sub-Advisor to the investment option or the underlying asset(s). Principal Life Insurance Company is the Investment Manager as defined by ERISA, with regard to the assets of the Separate Accounts. Principal Global Investors is a member of the Principal Financial Group. Edge Asset Management is an internal investment boutique of Principal Global Investors.*
20. *Effective June 30, 2017, this portfolio is sub-advised by Robert Baird and Eagle Asset Management. Prior to June 30, 2017, the portfolio was sub-advised by Robert Baird and William Blair. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
21. *Effective October 2, 2017, this portfolio is sub-advised by Neuberger Berman, Mellon and DDJ. Prior to October 2, 2017, the portfolio was sub-advised by JP Morgan and Neuberger Berman. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
24. *Effective June 29, 2018, this portfolio is sub-advised by Vaughn Nelson, LA Capital and Hotchkis & Wiley. Prior to June 29, 2018, the portfolio was sub-advised by DFA, Vaughn Nelson and LA Capital. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
25. *Effective September 21, 2018, this portfolio is sub-advised by Principal Global Investors. Prior to September 21, 2018, the portfolio was sub-advised by DFA. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
26. *Effective September 21, 2018, this portfolio is sub-advised by Principal Global Investors. Prior to September 21, 2018, the portfolio was sub-advised by DFA and Principal Global Investors. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
27. *For the NE Rate level, Principal Life Insurance Company (Principal Life) 1. pays the Sub-Adviser the management fee and compensation for services provided to the separate account, and 2. pays the separate account the expected operating expenses proportionally attributable to the NE Rate level in the maintenance of the Separate Account. Operating expenses may be greater or less than expected in any given period. The NE Rate level is only available to Contract holders who meet certain requirements and select certain additional products and services made available by Principal Life or an affiliate. Ask your Principal representative for additional details.*

## Benchmark Descriptions

*Balanced Strategy Composite Index is composed of 30% Russell 1000 Index, 4% Russell 2500 Index, 14% MSCI EAFE Index, 3% MSCI Emerging Markets Index, 4% MSCI World Index, 5% NAREIT Equity Index, and 40% Barclays Capital Aggregate Bond Index.*

*Blended Real Asset Index through September 30, 2011, is as follows: 75% NFI-ODCE Equal-Weight and 25% MSCI US REIT Index. The NFI-ODCE Equal-Weight is the NCREIF Fund Index-Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and Leverage. The return series is net of the average fee charged by accounts that make up the index. The MSCI US REIT Index is a capitalization-weighted benchmark index of most actively traded Real Estate Investment Trusts (REITs), designed to measure real estate performance. Effective October 1, 2011, the Blended Real Asset Index is comprised of 60% Consumer Price Index (CPI) plus 1.5% and 40% Diversified Real Asset Strategic Index. Consumer Price Index is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living. The Diversified Real Asset Strategic Index is composed of 35% Bloomberg Barclays U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index, 20% S&P Global Natural Resources Index, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Markets Index. Effective July 1, 2012, the Blended Real Asset Index is comprised of 50% Consumer Price Index (CPI) plus 1.5% and 50% Diversified Real Asset Strategic Index. Effective April 1, 2016, the Blended Real Asset Index is comprised of 75% Consumer Price Index (CPI) plus 1.5% and 25% Diversified Real Asset Strategic Index.*

*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.*

*Bloomberg Barclays Treasury Bellwethers 3 Month Index is composed of public obligations of the U. S. Treasury with a maturity of three months.*

*Bloomberg Barclays U.S. Corporate 1-5 Year Index measures the investment grade, fixed rate, taxable corporate bond market with 1-5 year maturities. It includes USD denominated securities publicly issued by US and non-US industrial, utility, and financial issuers.*

*Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged index constructed to mirror the characteristics of the high yield bond market.*

*Bloomberg Barclays U.S. Strips 20+ Year Index measures the monthly total return of the Barclays US STRIPS 5-10 Yr Index, where the STRIPS are derived from the Barclays US Treasury Index and have maturities of 20+ years.*

*Bloomberg Barclays US Corp High Yld 2% Issuer Capped Index is an unmanaged index comprised of fixed rate, non-investment grade debt securities that are dollar denominated. The index limits the maximum exposure to any one issuer to 2%.*

*Bloomberg Barclays US Corporate Investment Grade Index is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade and have at least one year to final maturity.*

*Bloomberg Barclays US Long Corp A or Higher Index tracks the monthly total return of the Barclays Corporate Index with maturities greater than 10 years and a quality rating higher than A. The Barclays Corporate Index is a component of the Barclays U.S. Credit Index and consists of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.*

*Conservative Strategy Composite Index is composed of 11% Russell 1000 Index, 4% MSCI EAFE Index, 2% MSCI World Index, 3% NAREIT Equity Index, 60% Barclays Capital Aggregate Bond Index, and 20% Merrill Lynch US Treasury 1-3 year Index.*

*Diversified Real Asset Strategic Index is composed of 35% Bloomberg Barclays U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index, 20% S&P Global Natural Resources Index, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Markets Index.*

*FTSE EPRA/NAREIT Developed Index is designed to represent general trends in eligible real estate equities worldwide.*

*FTSE EPRA/NAREIT Developed Index NR is designed to represent general trends in eligible real estate equities worldwide.*

*Growth Strategy Composite Index is composed of 41% Russell 1000 Index, 6% Russell 2500 Index, 17% MSCI EAFE Index, 4% MSCI Emerging Markets Index, 6% MSCI World Index, 6% NAREIT Equity Index, and 20% Barclays Capital Aggregate Bond Index.*

*Moderate Strategy Composite Index is composed of 20% Russell 1000 Index, 3% Russell 2500 Index, 9% MSCI EAFE Index, 2% MSCI Emerging Markets Index, 3% MSCI World Index, 3% NAREIT Equity Index, and 60% Barclays Capital Aggregate Bond Index.*

*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.*

*MSCI EAFE NR Index is listed for foreign stock funds (EAFE refers to Europe, Australia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes.*

*MSCI EAFE Value Index is a subset of the MSCI EAFE Index, which is an unmanaged index that measures the stock returns of companies in developed economies outside of North America. The MSCI EAFE Value Index consists of securities classified by MSCI as most representing the value style.*

*MSCI Emerging Markets NR Index measures equity market performance in the global emerging markets. It consists of 26 emerging market countries in Europe, Latin America and the Pacific Basin.*

*MSCI US REIT Index is a capitalization-weighted benchmark index of most actively traded Real Estate Investment Trusts (REITs), designed to measure real estate performance.*

*MSCI World Ex US Small Cap Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. It offers an exhaustive representation of the Small Cap segment by targeting companies that are in the Investable Market Index but not in the Standard Index in a particular market.*

*NFI-ODCE Equal-Weight is the NCREIF Fund Index - Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage. The return series is net of the average fee charged by accounts that make up the index.*

*Real Asset Index through September 30, 2011, is as follows: 75% NFI-ODCE Equal-Weight and 25% MSCI US REIT Index. The NFI-ODCE Equal-Weight is the NCREIF Fund Index-Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and Leverage. The return series is net of the average fee charged by accounts that make up the index. The MSCI US REIT Index is a capitalization-weighted benchmark index of most actively traded Real Estate Investment Trusts (REITs), designed to measure real estate performance. Effective October 1, 2011, the Real Asset Index is comprised of 60% Consumer Price Index (CPI) plus 1.5% and 40% Diversified Real Asset Strategic Index. Consumer Price Index is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living. The Diversified Real Asset Strategic Index is composed of 35% Bloomberg Barclays U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index, 20% S&P Global Natural Resources Index, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Markets Index. Effective July 1, 2012, the Real Asset Index is comprised of 50% Consumer Price Index (CPI) plus 1.5% and 50% Diversified Real Asset Strategic Index. Effective April 1, 2016, the Real Asset Index is comprised of 100% Consumer Price Index (CPI) plus 1.5%.*

*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.*

*Russell 1000 Index consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose.*

*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.*

*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.*

*Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 10% of the Russell 3000 total market capitalization.*

*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.*

*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.*

*Russell Midcap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.*

*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.*

*Standard & Poor's 1500 Total Market Stock Index is an index of small, medium and large stocks. It is comprised of stocks from the Standard & Poor's 500, 400 and 600 stock indices.*

*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.*

*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.*