

# Principal U.S. Property Separate Account

---

## Loss of Money

---

Since the investment's market value may fluctuate up and down, an investor may lose money when he or she buys or sells the investment, including part of the principal.

## Not FDIC Insured

---

The investment is not a deposit or obligation of, or guaranteed or endorsed by, any bank, insurance company, or other corporate organization and is not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other U.S. governmental agency or instrumentality.

## Pricing

---

Some real estate investments may not have a market observed price; therefore, values for these assets may be determined through a subjective valuation methodology. Fair values determined by a subjective methodology may differ from the actual value realized upon sale or paid on purchase. Valuation methodologies will be used to calculate a daily net asset value when recent purchase/sale data is unavailable.

## Illiquid Real Estate Investments

---

Investments in real estate are highly illiquid and subject to industry or economic cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether to finance or refinance portfolio properties or for potential purchasers of such properties). Accordingly, there can be no assurance that investments in real estate will be able to be sold in a timely manner and/or on favorable terms.

## Withdrawal Limitation

---

The investment invests primarily in directly owned real estate rather than securities. Unlike public securities sold on an exchange, real estate assets are sold in private transactions. In adverse market conditions, buyers may not be available at appropriate prices, which may delay or prevent a sale. Therefore, there may be times when money invested in the investment may not be able to be immediately withdrawn.

## Suitability

---

Investors are expected to select investments whose investment strategies are consistent with their financial goals and risk tolerance.

## Active Management

---

The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which, in addition to general market and economic factors, may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general. The investment is subject to the risk of loss of income and capital invested, and the advisor does not guarantee its value, performance, or any particular rate of return.

## Leverage

---

Leverage transactions may increase volatility and result in a significant loss of value if a transaction fails. Because leverage usually involves investment exposure that exceeds the initial investment, the resulting gain or loss from a relatively small change in an underlying indicator will be disproportionately magnified.

## Management

---

Performance is subject to the risk that the advisor's asset allocation and investment strategies do not perform as expected, which, in addition to general market and economic factors, may cause the portfolio to underperform its benchmark, other investments with similar objectives, or the market in general. The investment is subject to the risk of loss of income and capital invested, and the advisor does not guarantee its value, performance, or any particular rate of return.

## Real Estate Sector

---

A decision to concentrate assets in the real estate sector may disproportionately subject the portfolio to the risks of that industry, including loss of value because of changes in real estate values, interest rates, and taxes, as well as changes in zoning, building, environmental, and other laws, among other factors.

Insurance products and plan administrative services are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392.