

Global Diversified Income Separate Account-Z as of 03/31/2021

Investment Strategy

The investment seeks income. The fund generally invests a majority of its assets in fixed income securities, such as high yield bonds (also known as "junk" bonds), preferred securities, commercial mortgage-backed securities, and emerging market debt securities, in an effort to provide incremental yields over a portfolio of government securities. It also invests in equity securities in an effort to provide incremental dividend yields and diversify fixed-income related risks.



Portfolio managers

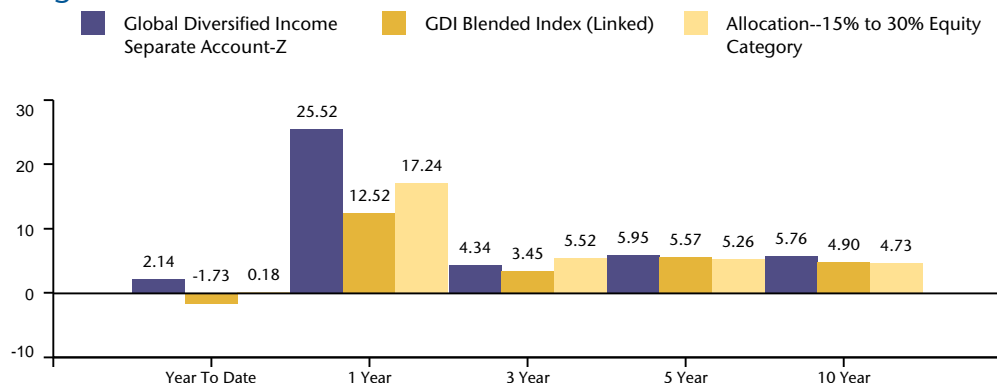
Kelly A. Grossman Since 03/01/2010. B.A., University of Northern Iowa

Benjamin E. Rotenberg, CFA, CAIA. Since 03/07/2014. B.A., Pomona College

Marcus W. Dummer, CAIA. Since 03/07/2014. M.B.A., University of Utah

Jessica S. Bush, CFA. Since 03/07/2014. B.A., University of Michigan

Long-term returns % as of 03/31/2021



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 Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ 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 also may be due to the investment adviser's decision to pay (through the same dates) 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 %	2.14	25.52	4.34	5.95	5.76
GDI Blended Index (Linked) %	-1.73	12.52	3.45	5.57	4.90
Allocation--15% to 30% Equity Category %	0.18	17.24	5.52	5.26	4.73
Morningstar Percentile Rankings	-	4	88	24	12
# of Funds in Category	174	166	158	140	87
Annual Returns	2020	2019	2018	2017	2016
Total Return %	2.08	14.02	-5.26	10.48	9.82
GDI Blended Index (Linked) %	7.58	9.84	-5.70	12.24	10.25
Allocation--15% to 30% Equity Category %	7.29	11.20	-3.14	6.25	5.55
Morningstar Percentile Rankings	97	12	91	42	11
# of Funds in Category	177	199	200	201	206

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

Morningstar category

Allocation--15% to 30% Equity

Risk and Return Statistics

as of 03/31/2021 Relative to GDI Blended Index (Linked)

	3Yr	5Yr
Alpha	0.23	-0.84
Beta	1.50	1.33
R-Squared	69.72	67.21
Standard Deviation	11.17	8.93
Mean	4.34	5.95
Sharpe Ratio	0.32	0.56
Excess Return	0.88	0.38
Tracking Error	6.90	5.44
Information Ratio	0.13	0.07

Operations

Total Investment Expense Net	0.48%
Total Investment Expense Gross	0.56%
Contractual Cap Expiration Date	02/28/2022
Waiver Expiration Date	02/28/2022
Inception Date	09/30/2013
Extended Performance	
Inception Date#	12/15/2008
Total Net Assets (mil)	\$4,712.94



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

Global Diversified Income Separate Account-Z as of 03/31/2021

Portfolio information[†]

Composition as of 02/28/2021

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Bonds	42.43	0.00	42.43
	Non-U.S. Bonds	23.65	0.00	23.65
	U.S. Stocks	15.40	0.00	15.40
	Non-U.S. Stocks	9.90	0.00	9.90
	Convertibles	3.52	0.00	3.52
	Preferred	2.52	0.00	2.52
	Cash	1.92	2.51	4.43
	Other	0.66	0.00	0.66

Top ten holdings

	% of net assets
1. Principal Government Money Market Instl	2.17
2. One Call Corp	1.76
3. SPECIALTY STL HOLDCO INC	0.90
4. AUCTION.COM	0.75
5. EPIC HEALTH SERVICES	0.50
6. DURAVANT LLC	0.48
7. Material Science Note	0.48
8. DEXKO GLOBAL	0.45
9. Sny 10 1/4 Sr	0.44
10. The Allstate Corporation	0.43
% of net assets in top ten holdings*	8.37

Analysis

# of Stock Hldgs	589
# of Bond Hldgs	1019
# of Other Hldgs	119
AvgMktCap (mil)	\$14,080.49
Turnover Ratio	87%
P/C Ratio	9.44
P/B Ratio	1.50
P/E Ratio	15.60

Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
Cyclical	51.53	Defensive	23.21	Sensitive	25.24
Consumer Cyclical	5.18	Healthcare	2.32	Technology	4.72
Basic Materials	5.48	Consumer Defensive	3.25	Industrials	9.95
Financial Svcs	20.90	Utilities	17.64	Energy	5.95
Real Estate	19.97			Comm Svcs	4.62

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 Global Diversified Income Separate Account-Z. Principal Global Diversified Income 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. Global Diversified Income 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 (PGBLX) 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.

Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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.

Total Investment Expense - Gross is the current maximum expense ratio, as a percentage of assets that can be applied to this investment option. This does not represent the recordkeeping or individual transactional fees that can be deducted from or reduce the earnings for an investment under your account. However, it does include operating expenses, management fees, including 12b-1 fees, and administrative fees.

Total Investment Expense - Net; you will be responsible for this expense and it will be automatically taken prior to calculating performance. Total Investment Expense - Net is the Total Investment Expense - Gross expense ratio less any fee waivers, reimbursements or caps, if applicable. The expenses ratio, as a percentage of net assets, includes operating expenses, management fees, including 12b-1 fees, and administrative fees.

[†] The Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit principal.com.

[#]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.

Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Lower-rated securities are subject to additional credit and default risks. Risks associated with preferred securities differ from risks inherent with other investments. In particular, in the event of bankruptcy, a company's preferred securities are senior to common stock but subordinated to all other types of corporate debt. International investing involves increased risks due to currency fluctuations, political or social instability, and differences in accounting standards, these risks are magnified in emerging markets. REIT securities are subject to risk factors associated with the real estate industry and tax factors of REIT registration.

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.

Investment manager/sub-advisor means either the Investment Advisor or Sub-Advisor to the investment option or the underlying asset(s).

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