

Principal Guaranteed Option

Overview

The Principal Guaranteed Option is a guaranteed general-account backed group annuity contract that has been issued by Principal Life Insurance Company (Principal Life) to Principal Trust Company as custodian.

Crediting Rate

A rate of interest contractually guaranteed by Principal Life is credited to participant account balances. This net crediting rate is after the deduction of 0.00%* for fees for administrative and recordkeeping services provided to the plan. Currently, this net crediting rate is a 2.15% effective annual rate, until May 31, 2020. The rate will be reset June 1, 2020, and semiannually thereafter.

Advantages of a Guaranteed Contract

The Principal Guaranteed Option can provide the conservative foundation for a retirement program. It offers three important characteristics:

- Stability of principal - the value does not fluctuate with the stock and bond markets.
- A declared interest rate - you know in advance what interest will be earned.
- Accessibility - Participants can generally transfer assets into or out of the Principal Guaranteed Option without early termination or surrender charges. However, charges and participant transfer restrictions may result from certain employer actions. See Employer Actions for more details.

CREDITING RATE HISTORY

12/19	06/19	03/19
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05/20	11/19	05/19
2.15%	3.05%	3.05%

The crediting rate history shown is based on actual past interest rates and does not guarantee future rates. For more information, visit principal.com, contact your representative, or Principal at 1-800-247-1737.

Benefit Payment

Benefit payments to participants are made without restriction (i.e., no early termination charges or surrender charges) for plan benefit events, including retirement, termination of employment, disability, plan termination, death, loans, and withdrawals, as allowed by the plan. In certain instances, employer actions may result in transfer restrictions or charges to participant accounts. See Employer Actions for more details.

Participant Investment Transfers

Participant investment transfers from the Principal Guaranteed Option to non-competing investment options will have no restrictions. If the retirement program provides participants access to the Principal Guaranteed Option and Competing Plan Investment Options, investment transfers from Principal Guaranteed Option directly to Competing Plan Investment Options are not allowed. Competing Plan Investment Options include other guaranteed investment options, and stable value, money market, or other short-term fixed income investment options with an average duration of less than three years. Indirect transfers from Principal Guaranteed Option to a Competing Plan Investment Option will be subject to an Equity Wash. An Equity Wash requires that transfers be directed to a non-competing investment option for 90 days before a subsequent transfer can be made to a Competing Plan Investment Option.

Employer Actions

A plan fiduciary must provide notice to terminate the Plan's Interest in the Principal Guaranteed Option. Notice to terminate can be revoked for 90 days, after which, notice is irrevocable. An employer-level termination of the Plan's Interest in the Principal Guaranteed Option will be paid out as directed by the plan fiduciary. See below for a summary of the termination provisions. Refer to the contract or contract description for a full explanation of restrictions and charges related to Employer Actions.

Installment Payments

A plan fiduciary may elect to have the Plan's Interest in the Principal Guaranteed Option paid out in six installments. The first installment payment will be made six months after the plan's notice to terminate its interest. Each of the following five installment payments will be made on the anniversary of the first payment date. Plan activity prior to, and during, the installment payment period will affect the amount paid on installment payment dates. During the installment payment period:

- Benefit payments will continue to be made.
- Participant investment transfers out of the Principal Guaranteed Option will be allowed, subject to the recordkeeper's ability to enforce an Equity Wash.

If the recordkeeper is not affiliated with Principal Life, a surrender charge may apply. The surrender charge will apply if prior to the first installment payment the cumulative transfer amount exceeds \$50,000 and the cumulative monthly transfer percentage exceeds 25%. The surrender charge will equal 10% of the cumulative transfer amount. The surrender charge will not apply if transfers into the contract cause these thresholds to no longer be exceeded, and the plan fiduciary elects to delay the start of the installment payments by six months. Any surrender charge may be paid directly by the Plan Sponsor or deducted from the Plan's Interest in the contract.

Employer Action provisions continue on the following page.

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Accelerated Payment

In lieu of installment payments, the plan fiduciary may elect at any time after providing notice to terminate the Plan's Interest and have the Plan's Interest paid as a single sum, subject to an Early Termination Charge. An election of the single sum payout is irrevocable. The single sum payment will be made on a date that is at least 90 days, but no more than 180 days, from the plan fiduciary's election of this payment.

The Early Termination Charge is calculated on the last day of the month after a plan fiduciary elects to have the Plan's Interest paid as a single sum. The Early Termination Charge is described in the contract and contract description. A plan fiduciary can request an estimate of the Early Termination Charge for a plan at any time by contacting a Principal representative. An Early Termination Charge could be 0%. The Early Termination Charge may be paid directly by the Plan Sponsor or deducted from the Plan's Interest in the contract. For purposes of 403(b) plans only, a lump sum payment may only be elected by the plan fiduciary if the Early Termination Charge does not exceed the limit defined in the contract.

Guarantee backed by Principal Life

The Principal Guaranteed Option guarantees principal and provides a stated crediting rate backed by Principal Life. Principal Life has among the highest financial strength ratings of U.S. life insurance companies from recognized experts as indicated below.

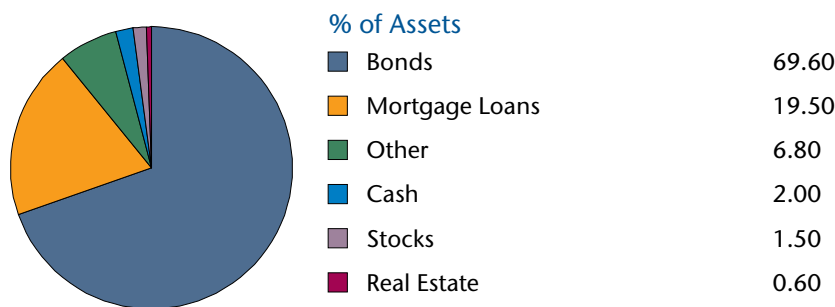
- Fitch AA-
- A.M. Best A+
- S&P A+
- Moody's A1

Nationally recognized statistical rating organizations (NRSROs) publish financial strength ratings of U.S. life insurance companies that are indicators of an insurance company's ability to meet contractholder and policyholder obligations. Such ratings are not a recommendation to buy, sell or hold an investment, are subject to withdrawal or revision at any time by the assigning NRSRO, and each rating should be evaluated independently of any other rating. The table above sets out Principal Life's financial strength ratings and the assigning NRSRO as of 11/30/2019. Current rating information is available at principal.com.

As a guaranteed insurance contract, this is not an investment, but is a group annuity contract with a guarantee backed by the assets in the multi-billion dollar general account of Principal Life. The general account consists of over 6,000 investments, which include corporate bonds, asset-backed securities, commercial real estate mortgages, government bonds, and short-term cash equivalents. The portfolio composition of the general account is illustrated as follows:

Portfolio Information

Composition as of 09/30/2019



* The Principal Guaranteed Option is a guaranteed group annuity contract backed by the general account of Principal Life. As a guaranteed contract, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The fee illustrated here represents a part of the overall fee arrangement that the plan pays for recordkeeping and administrative services provided to the plan, in accordance with the rate level service fee selected by the plan fiduciary for the plan.

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. Principal Guaranteed Option is the Custodial Guaranteed Option Group Annuity Contract available through Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, Iowa, 50392.

Principal Trust Company is the trade name of Delaware Charter Guarantee & Trust Company. –83909-650071-052019