

Principal Fixed Income Guaranteed Option

Overview

The Principal Fixed Income 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 1.80% effective annual rate, until November 30, 2020. The rate will be reset December 1, 2020, and semiannually thereafter.

Advantages of a Guaranteed Contract

The Principal Fixed Income 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.
- No transfer charges will apply to participants - no redemption fees, early withdrawal charges, or market value adjustments are charged on participant transfers of assets into or out of the Principal Fixed Income Guaranteed Option. An employer-level liquidation may result in a charge. See Charges for more details.

CREDITING RATE HISTORY

06/20 ----	12/19 ----	06/19 ----	12/18 ----	06/18 ----	12/17 ----	06/17 ----	12/16 ----	06/16 ----	12/15 ----	06/15 ----	12/14 ----	06/14 ----	12/13 ----	06/13 ----	12/12 ----	06/12 ----
11/20	05/20	11/19	05/19	11/18	05/18	11/17	05/17	11/16	05/16	11/15	05/15	11/14	05/14	11/13	05/13	11/12
1.80%	1.90%	1.75%	1.80%	1.75%	1.70%	1.70%	1.75%	1.80%	1.85%	1.90%	2.00%	2.00%	2.00%	2.00%	2.10%	2.40%
12/11 ----	06/11 ----	12/10 ----														
05/12	11/11	05/11														
2.65%	2.85%	2.85%														

The crediting rate history is shown based on actual past interest rates and does not guarantee future rates. Effective December 1, 2019, Vintage-June 2018, which was the Vintage-Current from 6/1/18 - 12/1/19, merged into Vintage-Primary. The Composite Crediting Rate history illustrated is that of Vintage-Primary only. For more information, visit Principal® web site at principal.com, contact your representative of Principal, or call our Participant Contact Center at 1-800-547-7754.

Competing Plan Investment Options

If the retirement program provides you access to the Principal Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will be subject to an Equity Wash, which the contract defines.

An Equity Wash requires that transfers must be directed to a non-competing investment option under the plan for 90-days before such transferred amounts may be directed to any Competing Plan Investment Option available under the plan.

Competing Plan Investment Options include other guaranteed investment options, and stable value, money market, or other short term fixed income investment option with an average duration of less than three years.

Benefit Payment

Benefit payments described in the contract are made at book value (i.e., no market value adjustments or surrender charge adjustments) for plan benefit events, including:

- Retirement
- Termination of Employment
- Disability
- Plan Termination
- Death
- Loans
- Withdrawals

Charges

An employer-level liquidation or employer initiated transfer of the plan's interest in the Principal Fixed Income Guaranteed Option will be subject to either a 12-month advance notice or a 5% surrender charge, whichever the plan fiduciary chooses. Notification of a plan's intent to terminate its interest may be revoked within 90 days of our receipt of such notice, after which time, notice becomes irrevocable.

A 5% surrender charge will also apply if the cumulative percentage of participant transfers from the Principal Fixed Income Guaranteed Option exceeds 20% of the plan's interest in the contract during the 12 month period immediately preceding the employer-level surrender of the plan's interest in the contract. If this scenario occurs, the surrender charge will be billed to the employer. Refer to the contract for a full description of the Surrender Charge.

The Principal Fixed Income Guaranteed Option may make available higher guaranteed rates. If these are available and a plan fiduciary chooses to move a plan's interest to a higher guaranteed rate, a charge of 1.50% of the plan's interest applies. If there are multiple higher guaranteed rates available, the 1.50% charge applies to each higher guaranteed rate that the plan fiduciary elects. The 1.50% charge is based on the plan's interest, and therefore, the actual fee if deducted from participant accounts may be higher or lower than 1.50%, depending on the plan's interest at the time the plan fiduciary chooses to move to a higher guaranteed rate and the value of each participant's account at the time of the actual movement.

Principal Fixed Income Guaranteed Option

Guarantee backed by Principal Life

The Principal Fixed Income Guaranteed Option contract 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.

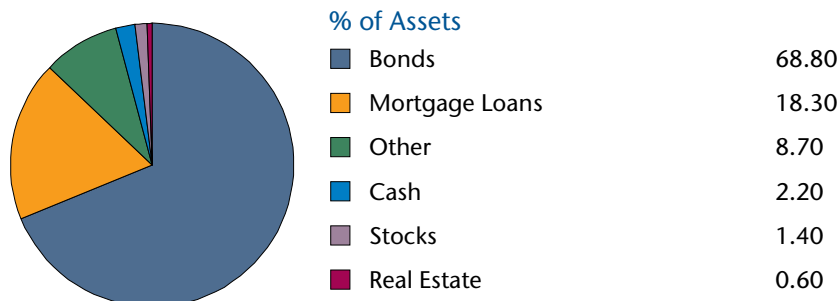
- Moody's A1
- S&P A+
- Fitch AA-
- A.M. Best A+

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 05/31/2020. 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 03/31/2020



* Principal Fixed Income Guaranteed Option is not FDIC insured and is not an obligation or deposit for any bank nor guaranteed by a bank. The guarantees provided with regard to the Principal Fixed Income Guaranteed Option are supported by the general account of Principal Life. As a guarantee, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The fee illustrated here represents the part of the overall fee arrangement that the plan pays for services from Principal Life as a provider of administrative services to the plan, as agreed to according to the Rate Level Service Fee selected in the Service and Expense Agreement for the plan.

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

Principal Fixed Income Guaranteed Option is the Group Annuity Contract - Custodial Guaranteed Interest 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.