

SAM Flexible Income Separate Account-Z as of 03/31/2021

Investment Strategy

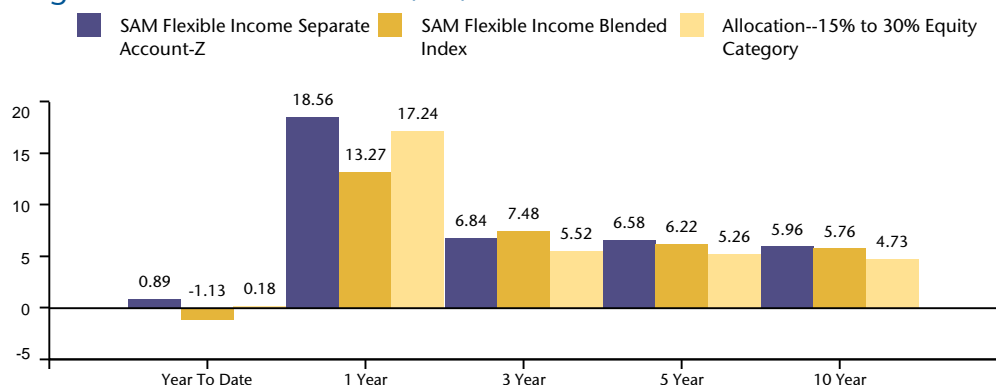
The investment seeks to provide a high level of total return (consisting of reinvestment of income with some capital appreciation). The Portfolios operate as funds of funds and invest principally in funds and exchange-traded funds ("ETFs") of Principal Funds, Inc. and Principal Exchange-Traded Funds ("underlying funds"). It generally invests: between 55% and 95% of its assets in fixed-income funds, and less than 40% in any one fixed-income fund; between 5% and 45% of its assets in equity funds, and less than 30% in any one equity fund; less than 20% of its assets in specialty funds, and less than 20% in any one specialty fund.

Multiple Sub-Advisors

Portfolio managers

Todd A. Jablonski, CFA. Since 01/01/2010. M.B.A., New York University
Gregory L. Tornga, CFA. Since 10/02/2017. M.B.A., Chapman University

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 % | | 0.89 | 18.56 | 6.84 | 6.58 | 5.96 |
| SAM Flexible Income Blended Index % | | -1.13 | 13.27 | 7.48 | 6.22 | 5.76 |
| Allocation--15% to 30% Equity Category % | | 0.18 | 17.24 | 5.52 | 5.26 | 4.73 |
| Morningstar Percentile Rankings | | - | 33 | 10 | 10 | 11 |
| # of Funds in Category | | 174 | 166 | 158 | 140 | 87 |
| Annual Returns | | 2020 | 2019 | 2018 | 2017 | 2016 |
| Total Return % | | 7.30 | 13.63 | -1.86 | 8.54 | 7.12 |
| SAM Flexible Income Blended Index % | | 10.77 | 13.74 | -1.56 | 7.90 | 4.67 |
| Allocation--15% to 30% Equity Category % | | 7.29 | 11.20 | -3.14 | 6.25 | 5.55 |
| Morningstar Percentile Rankings | | 57 | 16 | 21 | 11 | 22 |
| # 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 SAM Flexible Income Blended Index

| | 3Yr | 5Yr |
|--------------------|-------|-------|
| Alpha | -1.69 | -0.39 |
| Beta | 1.20 | 1.16 |
| R-Squared | 88.19 | 87.47 |
| Standard Deviation | 6.94 | 5.57 |
| Mean | 6.84 | 6.58 |
| Sharpe Ratio | 0.79 | 0.96 |
| Excess Return | -0.64 | 0.36 |
| Tracking Error | 2.63 | 2.11 |
| Information Ratio | -0.24 | 0.17 |

Operations

| | |
|--------------------------------|------------|
| Total Investment Expense Net | 0.48% |
| Total Investment Expense Gross | 0.48% |
| Inception Date | 01/16/2007 |
| Extended Performance | |
| Inception Date# | 07/25/1996 |
| Total Net Assets (mil) | \$2,860.30 |



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

SAM Flexible 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 | 51.41 | 8.68 | 60.10 |
| | U.S. Stocks | 21.82 | 0.00 | 21.82 |
| | Non-U.S. Stocks | 8.48 | 0.00 | 8.48 |
| | Cash | 7.52 | 7.53 | 15.05 |
| | Non-U.S. Bonds | 5.45 | 0.00 | 5.45 |
| | Convertibles | 3.06 | 0.00 | 3.06 |
| | Preferred | 2.18 | 0.00 | 2.18 |
| | Other | 0.08 | 0.00 | 0.08 |

Top ten holdings

| | % of net assets |
|---|-----------------|
| 1. Principal Government & High Qual Bd Inst | 13.74 |
| 2. Principal Short-Term Income Inst | 12.35 |
| 3. Principal Core Fixed Income R6 | 10.42 |
| 4. Principal Investment Grd Corp Actv ETF | 10.20 |
| 5. Principal Equity Income Inst | 8.41 |
| 6. Principal Spectrum Pref&Cptl Scs IncR6 | 8.09 |
| 7. Principal Active Income ETF | 6.62 |
| 8. Principal Inflation Protection Inst | 6.18 |
| 9. Principal Diversified International R-6 | 5.36 |
| 10. Principal Blue Chip R-6 | 4.11 |
| % of net assets in top ten holdings* | 85.48 |

Analysis

| | |
|------------------|-------------|
| # of Stock Hldgs | 0 |
| # of Bond Hldgs | 0 |
| # of Other Hldgs | 16 |
| AvgMktCap (mil) | \$56,476.11 |
| Turnover Ratio | 36% |
| P/C Ratio | 13.88 |
| P/B Ratio | 2.52 |
| P/E Ratio | 19.98 |

Stock Sector Breakdown

| | % of net assets | | % of net assets | | % of net assets |
|-------------------|-----------------|--------------------|-----------------|------------------|-----------------|
| Cyclical | 44.87 | Defensive | 19.36 | Sensitive | 35.79 |
| Consumer Cyclical | 9.38 | Healthcare | 10.88 | Technology | 14.23 |
| Basic Materials | 3.32 | Consumer Defensive | 5.73 | Industrials | 9.72 |
| Financial Svcs | 18.34 | Utilities | 2.75 | Energy | 2.93 |
| Real Estate | 13.83 | | | Comm Svcs | 8.91 |

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 SAM Flexible Income Separate Account-Z. Principal SAM Flexible Income investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. SAM Flexible Income Inst Portfolio. 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 (PIFIX) 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**

SAM Flexible Income Blended Index is composed of 5% MSCI EAFE Index, 20% Russell 3000 Index and 75% Bloomberg Barclays Aggregate Bond Index.

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.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.

Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks.

Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

Asset allocation and diversification do not ensure a profit or protect against a loss. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

The Investment Advisor will display "Multiple Sub-Advisors" for certain target-date, target-risk and specialty investment options where the assets are directed by the Investment Manager to multiple underlying investment options. These underlying investment options may use multiple sub-advisors who are responsible for the day-to-day management responsibilities.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

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.

This Separate Account invests directly in the Institutional class shares of a Principal Strategic Asset Management Portfolio (SAM). Performance results shown prior to January 16, 2007, are of the mutual fund (Institutional class performance adjusted based on the historical performance of the A class shares of the Fund where Institutional class shares is not available) only adjusted for the fees of the Separate Accounts since the Separate Account was not available. The underlying SAM Portfolio indirectly bears its pro rata share of the management fees incurred by the underlying Principal Fund in which this portfolio invests. Based on the asset allocation of the Principal Strategic Asset Management Portfolio outlined in the prospectus dated March 1, 2020, the weighted average operating expenses of the underlying funds are: Flexible Income, 0.51%; Conservative Balanced, 0.60%; Balanced, 0.64%; Conservative Growth, 0.60%; Strategic Growth, 0.59%. While the operating expenses of the underlying mutual funds are not part of the SAM Portfolio operating expenses they are included in the Total Investment Expense. Performance results shown for the SAM Portfolio reflect the application of these expenses. For further information on all mutual fund expenses, see the prospectus of the underlying SAM Portfolio. 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.

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