

SmallCap Growth I Separate Account-R6 as of 06/30/2020

Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. The management invests up to 30% of the fund's assets in equity securities in an attempt to match the performance of the Russell 2000(R) Growth Index. The fund's remaining assets are managed by the sub-advisors.



Portfolio managers

James W. Fennessey, CFA. Since 06/02/2009. B.S., Truman State University

Randy L. Welch Since 06/02/2009. M.B.A., Drake University

Long-term returns % as of 06/30/2020



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

In situations where the net and gross total investment expense figures are different 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 may also be shown due to the fund family choosing to pay 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 %	4.28	7.77	13.90	10.59	15.22
Russell 2000 Growth Index %	-3.06	3.48	7.86	6.86	12.92
Small Growth Category %	-0.10	4.46	10.08	8.28	12.94
Morningstar Percentile R rankings	-	36	28	24	17
# of Funds in Category	639	625	577	508	377
Annual Returns	2019	2018	2017	2016	2015
Total Return %	33.32	-5.49	26.14	9.08	1.03
Russell 2000 Growth Index %	28.48	-9.31	22.17	11.32	-1.38
Small Growth Category %	27.68	-5.76	21.50	11.20	-2.41
Morningstar Percentile R rankings	24	48	24	58	17
# of Funds in Category	640	676	684	669	730

Morningstar percentile rankings are based on total returns.

Morningstar category

Small Growth

Morningstar Style Box™

As of 05/31/2020

Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

Risk and Return Statistics

as of 06/30/2020 Relative to Russell 2000 Growth Index

	3Yr	5Yr
Alpha	5.58	3.58
Beta	0.99	0.98
R-Squared	97.36	97.31
Standard Deviation	22.93	20.33
Mean	13.90	10.59
Sharpe Ratio	0.61	0.54
Excess Return	6.03	3.73
Tracking Error	3.75	3.37
Information Ratio	1.61	1.11

Operations

Total Investment Expense Net	1.02%
Total Investment Expense Gross	1.04%
Contractual Cap Expiration Date	02/28/2021
Waiver Expiration Date	02/28/2021
Inception Date	12/29/2000
Total Net Assets (mil)	\$2,000.21



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

SmallCap Growth I Separate Account-R6 as of 06/30/2020

Portfolio information†

Composition as of 05/31/2020

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	93.14	0.00	93.14
		Non-U.S. Stocks	3.51	0.00	3.51
		Cash	3.35	0.41	3.77

Top ten holdings

	% of net assets
1. Chegg Inc	2.14
2. SiteOne Landscape Supply Inc	1.38
3. Freshpet Inc	1.23
4. Charles River Laboratories International Inc	1.17
5. Mercury Systems Inc	1.16
6. Zynga Inc Class A	1.13
7. Lattice Semiconductor Corp	1.10
8. Biohaven Pharmaceutical Holding Co Ltd	1.08
9. Waste Connections Inc	1.04
10. Trex Co Inc	1.02
% of net assets in top ten holdings*	12.45

Analysis

# of Stock Hldgs	1168
# of Bond Hldgs	0
# of Other Hldgs	7
AvgMktCap (mil)	\$3,711.78
Turnover Ratio	57%
P/C Ratio	13.31
P/B Ratio	3.60
P/E Ratio	32.71

Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
Cyclical	19.30	Defensive	36.47	Sensitive	44.23
Consumer Cyclical	10.09	Healthcare	28.56	Technology	22.67
Basic Materials	0.83	Consumer Defensive	7.67	Industrials	17.96
Financial Svcs	6.61	Utilities	0.24	Energy	0.23
Real Estate	1.77			Comm Svcs	3.37

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 SmallCap Growth I Separate Account-R6. Principal SmallCap Growth I 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. SmallCap Growth I 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 (PCSMX) at <http://www.principal-funds.com/Principal?site=MF>.

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.

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

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.

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 applicable 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.

Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.

This Separate Account invests solely in the least expensive share class of a mutual fund (Fund) from Principal Funds, Inc. Principal Global Investors, LLC invests up to 30% of the Fund's assets in equity securities in an attempt to match the performance of the Fund's benchmark index. The Fund's remaining assets are managed by the sub-advisors.

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.