

Principal LifeTime 2040 Separate Account

As of May 31, 2017



The schedule of investments listed below is for the Institutional class shares of the Principal Funds, Inc. Principal Lifetime 2040 Fund, in which this Separate Account solely invests.

Multiple Sub-Advisors

| Principal LifeTime 2040 Portfolio | | |
|---|-------------------------------------|---------------|
| Investment Advisor | Investment Option | |
| Bonds | | 15.87% |
| Principal Global Investors | Core Plus Bond Fund | 8.79% |
| Mellon Capital Management | Bond Market Index Fund | 4.37% |
| J.P. Morgan/ Neuberger Berman | High Yield Fund I | 2.71% |
| Domestic Stock | | 52.61% |
| Principal Global Investors | LargeCap S&P 500 Index Fund | 11.43% |
| T. Rowe Price/ Brown Advisory | LargeCap Growth Fund I | 11.07% |
| Westwood/ Barrow Hanley Mewhinney & Strauss LLC | LargeCap Value Fund III | 6.48% |
| William Blair/ Robert W. Baird | MidCap Growth Fund III | 5.22% |
| Principal Global Investors/Barrow Hanley Mewhinney & Strauss LLC | MidCap Value Fund III | 4.96% |
| Principal Global Investors | Equity Income Fund | 3.38% |
| Principal Global Investors | LargeCap Value Fund | 3.24% |
| Principal Global Investors | Blue Chip Fund | 2.62% |
| AllianceBernstein/ Brown/ Emerald | SmallCap Growth Fund I | 2.15% |
| Dimensional Fund Advisors/ Vaughan Nelson/ LA Capital Management | SmallCap Value Fund II | 2.05% |
| International Stock | | 27.11% |
| Principal Global Investors | Diversified International Fund | 9.24% |
| Causeway Capital/ Barrow, Hanley, Mewhinney & Strauss, LLC | Overseas Fund | 9.19% |
| Principal Global Investors | Global Opportunities Fund | 3.80% |
| Principal Global Investors | International Small Company Fund | 2.59% |
| Principal Global Investors | International Emerging Markets Fund | 1.18% |
| Origin Asset Management | Origin Emerging Markets Fund | 1.10% |
| Real Assets | | 2.40% |
| Credit Suisse/Tortoise/BlackRock/PGI/ Brookfield/ Symphony/ Pictet/Macquarie/FFTW | Diversified Real Asset Fund | 2.40% |
| Real Estate | | 1.99% |
| Principal Real Estate Investors | Real Estate Securities Fund | 1.99% |
| Net Other Assets | | 0.02% |
| Total Net Assets | | 100% |

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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. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

Portfolio holdings may not reflect the current portfolio composition. The holdings listed do not constitute a recommendation to purchase or sell a particular security.

This Separate Account invests solely in the Institutional class shares of the Principal Funds. 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.

Separate Accounts are available through a group annuity contract with Principal Life Insurance Company. Insurance products and plan administrative, if applicable, services are provided by Principal Life Insurance Company, a member of 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 inherent in real estate (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.

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.

An investment option's unit value and investment return will vary with market conditions, and the principal value of an investment when you sell your shares may be more or less than the original cost.

Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk.

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

The Investment Advisor will display "Multiple Sub-Advisors" for certain target-date or target-risk 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.