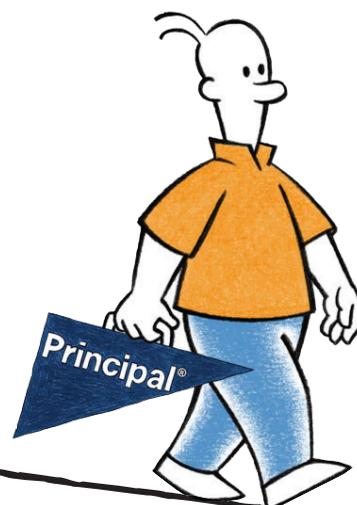


# 3 steps that could change retirement

That's all it takes to enroll in your employer's retirement savings plan

NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION



*This workbook content is current as of the production date noted below. If there are any discrepancies between this information and the legal plan document, the legal plan document will govern. If the production date is older than three months or past an investment performance quarter end, you should contact your plan sponsor or log in to [principal.com](http://principal.com) for current retirement plan and investment option information. The member companies of the Principal Financial Group® prohibit the manipulation of this workbook content. If your plan sponsor elects to provide this workbook electronically, The Principal® is not responsible for any unauthorized changes.*

04/17/2017

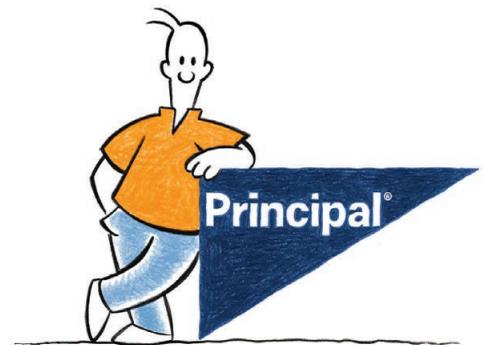
# It's all about your future

One of the best ways to save for your retirement is by enrolling in your employer's retirement savings plan. Follow these three steps to enroll, and you can be on your way to developing a more secure financial future.

**1** Decide how much  
you need to save

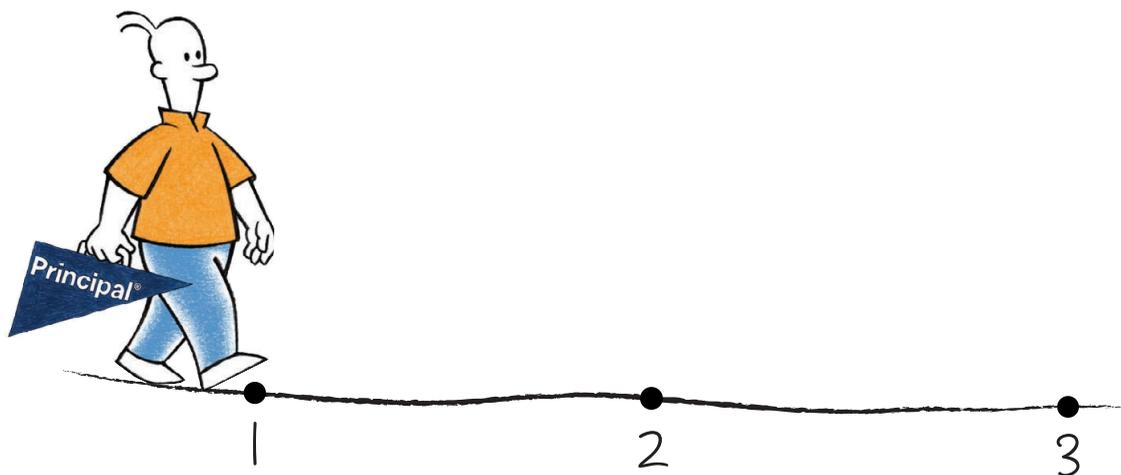
**2** Choose the  
investment options

**3** Enroll now:  
Start saving today



Contact us today to find out more.

 [principal.com](http://principal.com)  
 1-800-547-7754



# 1

## Decide how much you need to save

The sooner you enroll in your employer's retirement savings plan, the sooner you start saving for your goals. In this section, we'll help you figure out how much you may need to save, but first there are some important things that you should know.

### Start today!

It's more important than ever to save for retirement. Social Security benefits aren't likely to provide you with sufficient income when you stop working. That's where your employer's retirement savings plan comes in. It can help you save some of the extra funds you'll need. It can also provide additional benefits that you don't get from some other savings accounts, such as reducing your current taxable income.

Got a question? We're here to help!

 [principal.com](https://www.principal.com)  
 1-800-547-7754

### IMPORTANT ENROLLMENT INFORMATION

In Step 3 of this workbook, you will find enrollment instructions and/or an enrollment form.

- If there are enrollment instructions, you may complete your enrollment online at [principal.com](https://www.principal.com) or by calling 1-800-547-7754.
- If there is an enrollment form, you may follow the instructions throughout the workbook to complete the enrollment form.

## See how easy it can be

to enroll in your employer’s retirement savings plan. Simply follow the steps in this workbook. You will be provided with information related to enrollment decisions you need to make starting in Step 1 with the percentage of your pay you want to contribute. Once you’ve enrolled, the contributions will be automatically deducted from your pay.

### Compound earnings

Over time, contributions inside the retirement savings plan may grow because earnings are reinvested. Earnings can be generated on both your original contributions and the reinvested earnings. Generally, the longer retirement savings remain in the plan, the greater the compounding effect.

### Benefit of tax-deferred savings

A retirement savings plan both helps to build savings for your future and can potentially reduce the amount of tax you pay today. This is because pre-tax contributions to a retirement plan are generally not subject to federal income tax until they are withdrawn.

You also defer taxation on any earnings from the pre-tax contributions held inside the plan until they are taken out. This can help retirement savings grow faster. Plus, making pre-tax contributions to the retirement plan can reduce your current taxable income for the year.

A cash distribution is also subject to a 10% federal penalty unless you are age 59½, age 55 or more when you separated from service.

#### HOW IT WORKS

	6% Contribution	No Contribution
<b>Biweekly Pay</b>	\$1,346.15	\$1,346.15
<b>Contribution</b>	\$80.77	\$0
<b>Taxable Income</b>	\$1,265.38	\$1,346.15
<b>Taxes</b> <small>(assuming 25% tax bracket)</small>	\$316.35	\$336.54
<b>Take Home Pay</b>	\$949.03	\$1,009.61
<b>Tax Savings</b>	<b>\$20.19</b>	

This chart assumes tax withholding of 25%. Individual taxpayer circumstances may vary. This is for illustrative purposes only.

The \$80.77 contribution only reduced the take home pay by \$60.58 (\$1,009.61 - \$949.03 = \$60.58).

## WHY TIME IS MONEY

It’s important to start saving for retirement now. Consider the case of Diane and David, each age 35, who both earn a starting salary of \$35,000 and hope to retire at age 65.



#### DIANE

Diane gets off to an early start and begins to contribute 8 percent of her pay per year right away.

**Total Contributions\***  
**\$144,543**

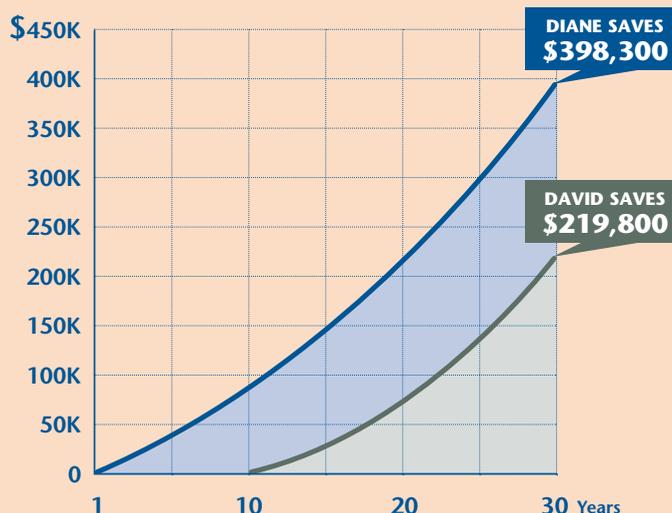


#### DAVID

David drags his heels and doesn’t start saving 8 percent of his pay until he has been employed for 10 years.

**Total Contributions\***  
**\$111,696**

### SAVINGS IN 30 YEARS



This chart assumes a 3.5% annual salary increase each year, an 8% salary deferral contribution and an annual 7% rate of return compounded biweekly. This example is for illustrative purposes only. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Amounts shown do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

\*Total contributions include employee and employer match contributions.

By starting 10 years earlier, Diane’s retirement savings can end up being almost double those of David’s.

**LESSON LEARNED: DON'T DELAY!**

## How much will you need?

The amount of income you'll need after you stop working depends upon a number of different factors such as your retirement goals and level of debt.

### A little can mean a lot

The good news is that your employer's retirement savings plan makes it easier to save than you'd think. You pick an amount you want to save each pay period, and it's contributed to the retirement plan on your behalf. Chances are, for little more than the price of a few dinners out each month, you can start working toward your retirement savings goals.

### Age 50 or above?

#### Boost your retirement contributions

If you're age 50 or over by the end of the calendar year, you can make catch-up contributions over specified limits within the IRS Code and the retirement plan, up to a certain dollar amount. For 2017, in addition to the standard annual maximum IRS limit of \$18,000, you can contribute an extra \$6,000. See your employer for details.

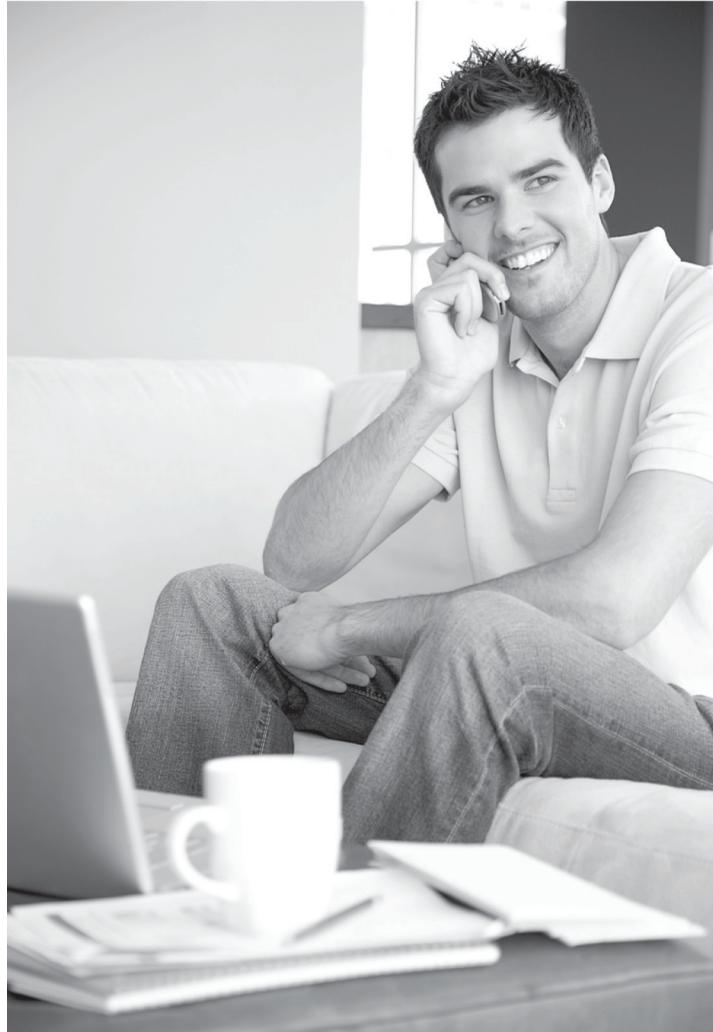
#### Roth Elective Contributions

If you already have significant pre-tax retirement savings and expect your retirement income to be higher than your current income, you may benefit by making Roth elective deferral contributions.

Unlike pre-tax retirement plan contributions, Roth elective contributions are made on an after-tax basis so they may be withdrawn tax free. Earnings on Roth elective contributions may also be withdrawn tax free after meeting the qualified distribution requirements.\*

For more information, contact a retirement specialist at 1-800-547-7754.

\*Withdrawals are generally tax free after a participant reaches 59½, disability, or death and must be taken at least five years after the first Roth elective contribution was made.



Got a question? We're here to help!

 [principal.com](https://www.principal.com)  
 1-800-547-7754

## Step it up

Looking for a way to help you stay on track with your retirement goals? Step up your contribution automatically by gradually increasing your contributions each year. Simply select the **Principal Step Ahead Retirement Option<sup>SM</sup>** (Principal Step Ahead) on your enrollment form, or follow the enrollment instructions. It allows you to pick an amount by which you want your contributions to be increased and the total number of years or maximum amount you want it to be stepped ahead (subject to plan limits).

If at any time you wish to change the amount you pick or opt out of Principal Step Ahead, you are free to do so.

## WHERE SHOULD I START?

When deciding the percentage of your pay you want to save, you may wish to choose one of the following options:

### 1 THE ESTIMATED IMPACT ON YOUR TAKE HOME PAY

A common misconception many people have is that they don't earn enough to start saving for their retirement. But the important thing to consider is to start saving at least a small percentage of your pay as soon as possible. If you can't afford to contribute as much as you'd like right away, don't worry. You can opt to increase the rate at which you save in the future. The table on the right shows some examples of how various contributions could impact a biweekly pay.

Current Annual Salary	Reduction in Biweekly Pay				
	4%	6%	8%	10%	12%
\$20,000	\$23	\$35	\$46	\$58	\$69
\$30,000	\$35	\$52	\$69	\$87	\$104
\$40,000	\$46	\$69	\$92	\$115	\$138
\$60,000	\$69	\$104	\$138	\$173	\$208
\$80,000	\$92	\$138	\$185	\$231	\$277
\$100,000	\$115	\$173	\$231	\$288	\$346

Participant is paid biweekly (26 times a year). This chart assumes tax withholding of 25%. Individual taxpayer circumstances may vary. Reduced take-home pay per pay period is accurate for the initial year and would change based on participant's annual pay. This is for illustrative purposes only.

Enter the estimated percentage you can afford to save: \_\_\_\_\_ %

### 2 AN AMOUNT TO HELP GENERATE THE INCOME YOU'LL NEED IN RETIREMENT

People may need to replace about 85 percent of their pre-retirement income each year to maintain their current lifestyle after they stop working.<sup>1</sup> To calculate the percentage of your current income to help you meet your goal, turn to the **Retirement Savings Worksheet** at the back of this workbook. Then, for quick reference, record this percentage on the line below.

Enter the percentage you calculated: \_\_\_\_\_ %

Need help? We have tools and resources that can help you determine an amount to save for retirement.

 [principal.com](http://principal.com)  
 1-800-547-7754

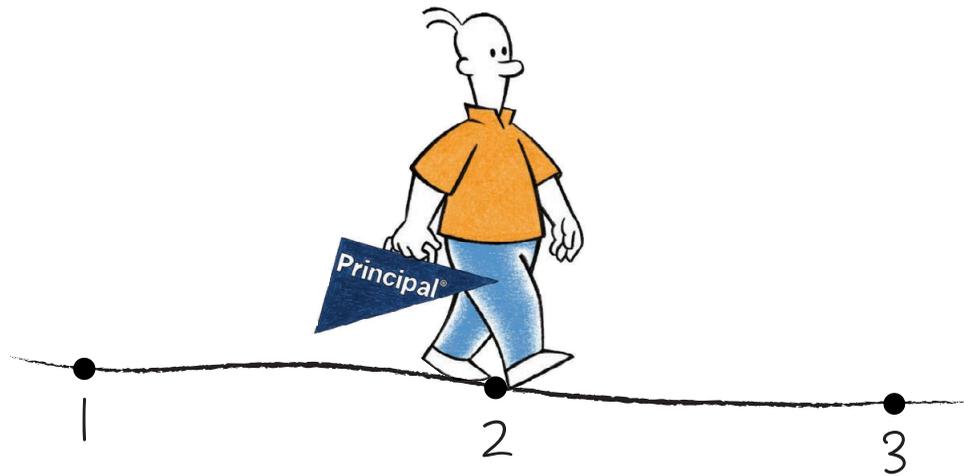
Write the percentage of your pay you wish to contribute on your enrollment form, or follow the enrollment instructions.



You may need to save at least 10 percent of your pay plus employer contributions over your entire working career to have enough income in retirement.<sup>1</sup> This assumes you may need about 85 percent of your pre-retirement income to maintain your current lifestyle after you retire.<sup>2</sup> Each individual's situation is unique, though, so your savings and post-retirement needs may differ.

<sup>1</sup>Based on analysis conducted by the Principal Financial Group®, August 2013. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; a combined individual and plan sponsor contribution of 12 percent; Social Security providing 40 percent replacement of income; 7 percent annual rate of return; 2.5 percent annual inflation; and 3.5 percent annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 85 percent of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs.

<sup>2</sup>Assuming pre-retirement annual gross income of \$40,000. Aon Consulting's 2008 Replacement Ratio Study™ <http://www.aon.com/about-aon/intellectual-capital/attachments/human-capital-consulting/RRStudy070308.pdf>



## 2 Choose the investment options

It's easier than you think! In this section, we'll provide you with access to information you need to help select investment options that are available through your employer's retirement plan.

### What's your investment style?

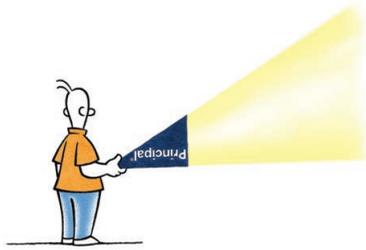
Before selecting specific investment options, it's important to carefully consider how actively involved you want to be when it comes to managing the asset allocation of the retirement savings account.

If you prefer to control your own investment option elections, your employer's retirement savings plan enables you to do this. It provides you with a wide range of investment options from which to choose — even for those investors who want a little help.



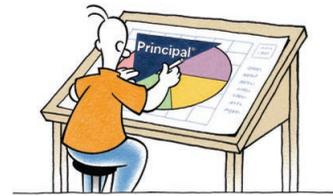
## WHAT KIND OF INVESTOR ARE YOU?

Uncertain about which investment options to choose? This workbook contains information that can help you develop an investment strategy.



- You may want a faster way to start investing now.
- You want asset allocation assistance.

— OR —



- You prefer to build your own portfolio.
- You enjoy monitoring your own investment options.

Read the “Choose Your Own Asset Allocation” pages in the workbook to learn more about some of the key principles of investing.

**You have the freedom to select from a wide range of investment options.  
Refer to your enrollment form and Investment Option Summary for detailed information.**

## LEARN MORE ABOUT YOUR INVESTOR STYLE

Taking the quiz on the following page can help you choose an investment strategy that corresponds to your quiz results.\*

\*Please keep in mind that this information is a guideline and for educational purposes only. It isn't intended to tell you how to invest.

## Determine your investor profile

Spreading your retirement plan contributions across different investment categories can help to balance your risk and potential return. Take the following quiz to help you choose a strategy suited to your personal situation. Check the boxes that most apply to you.

**1** How would you respond to the following statement?  
Protecting retirement savings from loss is more important to me than earning high returns.

- Strongly agree ..... 0 points
- Agree..... 4 points
- Risk and return are equally important..... 7 points
- Disagree ..... 10 points
- Strongly disagree..... 13 points

**2** Which of the following statements best describes you?

- I feel most comfortable with investment options that earn consistent but lower returns year-to-year. I prefer to take as little risk as possible. .... 0 points
- I am willing to withstand some ups and downs in the value of my portfolio, but I prefer to be invested in less risky investment options that reduce the chance of large losses. .... 5 points
- I want high investment option returns and am willing to accept a moderate level of risk and the potential for occasional short-term losses. .... 9 points
- I want high investment option returns and am willing to accept a higher degree of risk over a longer period of time. This may result in more frequent swings in the value of my portfolio. .... 13 points

**3** How much the value of a portfolio rises and falls is called volatility. Which of the following best describes how you feel about the amount of volatility you are willing to accept?

- Considerable — My main goal is to earn high returns over time, and I can accept periods of large losses to do so. .... 12 points
- Some — I would like to earn higher returns over time and can accept an occasional large downturn in the value of my portfolio. .... 6 points
- Little — I would rather have small returns than risk losing any retirement savings..... 0 points

**4** How do you feel about the rate of inflation and the effect it may have on retirement income?

- I would like investment earnings to keep up with the rate of inflation, but I don't want to take chances losing retirement savings. .... 0 points
- While accepting a low level of risk, my main goal is to earn slightly more than inflation. .... 4 points
- My main goal is to increase the value of my retirement savings at a pace moderately greater than the rate of inflation. Therefore, I am willing to accept short-term losses associated with more moderate investment options. .... 8 points
- I want my retirement savings to earn significantly more than the rate of inflation over the long run even though there's a greater risk the investment options may lose value in the short- to intermediate-term. .... 12 points

**5** The table below shows how much the value of \$20,000 contributed in retirement plan investment options may go up or down in value over three years. Which portfolio would make you feel the most comfortable?

	Possible 3-Year Return	Possible 3-Year Loss	
<input type="checkbox"/> <b>Portfolio A</b>	Gain of \$1,600 (8% of the value)	Loss of \$3,200 (16% of the value)	....13 points
<input type="checkbox"/> <b>Portfolio B</b>	Gain of \$1,400 (7% of the value)	Loss of \$2,200 (11% of the value)	....9 points
<input type="checkbox"/> <b>Portfolio C</b>	Gain of \$1,200 (6% of the value)	Loss of \$1,600 (8% of the value)	....5 points
<input type="checkbox"/> <b>Portfolio D</b>	Gain of \$1,000 (5% of the value)	Loss of \$900 (4.5% of the value)	....0 points

**6** If there is potential for higher returns, I am comfortable with investment options that may frequently experience large declines in value even if these frequent and large declines are experienced at an unexpected time, such as when I'm preparing to retire.

- Strongly disagree..... 0 points
- Disagree ..... 4 points
- Agree..... 8 points
- Strongly agree ..... 12 points

**7** Sometimes investment losses are long term, and sometimes they are short-lived. How might you respond when you experience investment option losses?

- I would move all of the retirement savings to a more conservative investment option if they suffered substantial declines over a three-month time period..... 0 points
- Although declines in investment option value make me uncomfortable, I would wait nine months to a year before adjusting the investment strategy..... 6 points
- Even if the value of my retirement savings went down over several years, I would continue to follow my long-term investment strategy and not adjust my portfolio..... 12 points

**8** Suppose you invested \$5,000 this year with the intention of keeping the investment option for 10 years. If this investment option lost value during the first year, at what value of your initial \$5,000 investment would you sell and move to a more stable investment option?

- \$4,750..... 0 points
- \$4,500..... 4 points
- \$4,250..... 7 points
- \$4,000 or less..... 10 points
- I would not sell..... 13 points



### NOW, ADD UP YOUR POINTS

Your total points determine your **Risk Tolerance Score.**

**TOTAL POINTS**

### NEXT, DETERMINE YOUR YEARS TO RETIREMENT

Subtract your current age from the age you plan to be when you retire to determine your Years to Retirement.

Your expected retirement age\*:

**MINUS** — Your current age: \_\_\_\_\_

**EQUALS** = Years to Retirement: \_\_\_\_\_

\*Enter this number on the enrollment form or follow the enrollment instructions toward the back of the workbook.

Take note of the results of the quiz. The results can help you decide how to invest as you work your way through the workbook.

Please keep in mind that this information is just a guideline and for educational purposes — it isn't intended to tell you how to invest.

© 2016 Morningstar Investment Management LLC. All rights reserved. This quiz is provided as guidance only; it isn't intended to tell you how to invest. Investors should consult with their financial professional about their responses to this quiz and other relevant factors that they should consider before making an investment decision. Be sure to complete the quiz periodically to make sure that the investment choice(s) you elected continues to match your risk profile. The quiz is made available through a license agreement with the Principal Financial Group®. In no way does your use of the quiz establish a relationship (including advisory relationship) between you and Morningstar nor is Morningstar responsible for mapping or identifying a specific investment choice(s) that may be appropriate for your risk profile. Find the quiz online at [principal.com/investorquiz](http://principal.com/investorquiz). Past performance does not guarantee future results.

Following an asset allocation model does not assure a profit or guarantee that a participant will not incur a loss. Performance of the individual models may fluctuate and will be influenced by many factors. In applying particular asset allocation models to their individual situations, participants or beneficiaries should consider their other assets, income and investments (e.g., equity in a home, IRA investments, savings accounts, and interests in other qualified and nonqualified plans) in addition to their interests in the plan.

## DO-IT-MYSELF INVESTMENT CHOICES

## Choose Your Own Asset Allocation

Your employer's retirement savings plan enables you to control your own investment option elections. This section can provide some helpful background to get you started.

First, it's important to have a solid understanding of the key principles of investing. Among the most important concepts are risk, asset allocation and diversification. Here is a review of these principles with several asset allocation models to consider.

## Risk

The first basic concept of investment decisions is risk. You should consider the following types of risk:

**Investment risk**, also called volatility, is the chance you take on how much an investment option will go up or down in value, especially over shorter periods of time. Every investment option involves some risk. While past performance is no guarantee of future results, greater returns have come from higher-risk investment options. On the other hand, lower-risk options generally produce lower rates of return.

**Inflation risk** is the risk that retirement savings may not keep up with the rate of inflation. This means over time, the same amount of retirement funds will purchase less in the future.

## Asset allocation

Asset allocation is the practice of having a mix of different asset classes within an investment portfolio. The majority of the investment options in your employer's retirement savings plan fall into five asset classes that range from lower-risk to higher-risk: Short-Term Fixed Income, Fixed Income, Large U.S. Equity, Small/Mid U.S. Equity and International Equity. Generally, asset classes with lower levels of risk usually offer a lower potential for growth. Meanwhile, asset classes with higher levels of risk typically offer more potential for growth.

## ASSET CLASS CATEGORIES

## SHORT-TERM FIXED INCOME

This asset class is generally composed of short-term, fixed-income investment options that are largely liquid and are designed to not lose much value. These investment options may include stable value, money market, short-term bond, and guaranteed interest accounts. They are considered to be among the least risky forms of investment options. However, they typically have a lower rate of return than equities or longer-term fixed income investment options over long periods of time. Depending on the objectives of the investment options, they may experience price fluctuations and may lose value.

## FIXED INCOME

This asset class is generally composed of investment options that invest in bonds, or debt of a company or government entity (including U.S. and Non-U.S.). It may also include real estate investment options that directly own property. These investment options typically carry more risk than short-term fixed income investment options (including, for real estate investment options, liquidity risk), but less overall risk than equities. All investment options in this category have the potential to lose value.

## LARGE U.S. EQUITY

This asset class is generally composed of investment options that invest in stocks, or shares of ownership in large, well-established, U.S. companies. These investment options typically carry more risk than fixed income investment options but have the potential for higher returns over longer time periods. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.

## SMALL/MID U.S. EQUITY

This asset class is generally composed of investment options that invest in stocks, or shares of ownership in small- to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.

## INTERNATIONAL EQUITY

This asset class is composed of investment options that invest in stocks, or shares of ownership in companies with their principal place of business or office outside the United States. These investment options often carry more risk than U.S. equity investment options but may have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.

These characteristics — potential risk and return — are taken into account when planning an appropriate asset allocation for individual investors. Through asset allocation, you generally can achieve an overall level of risk with which you are comfortable. That's because of diversification, one of the most important investment strategies.



## Diversification

Diversification simply means spreading retirement plan contributions across different asset categories. With proper diversification, you may be able to get a return that will help you meet your goals while reducing potential risk.

Each type of investment option or asset class has its own risk and performance characteristics. Short-Term Fixed Income investment options typically are the least risky and may have lower long-term returns. International Equity and Small/Mid U.S. Equity investment options generally are considered riskier and may yield higher returns. Large U.S. Equity and Fixed Income investment options generally are in the middle of this range. Having a mix of investment options from a variety of asset classes can help you achieve your desired level of diversification. Also, spreading your contributions around helps minimize the potential risk that a single investment option might decrease the total value of the retirement plan account. However, no investment strategy such as asset allocation or diversification can guarantee a profit or protect against losses in periods of declining values.

## How do I select investment options?

Start by taking the quiz in this workbook. Using the quiz results, find the box below where your Risk Tolerance Score (left column of the chart) intersects with your Years to Retirement (top row of the chart). Then, find the matching sample asset allocation model on the right. You can use the sample asset allocation models as a guide to help choose investments from the plan's investment lineup. But please keep in mind that this information is just a guideline and for educational purposes — it isn't intended to tell you how to invest. You should also consider other assets and any anticipated needs when directing your plan contributions.

		Years to Retirement			
		0-5 years	6-10 years	11-15 years	16+ years
Risk Tolerance Score	0 to 17	I	I	I	I
	18 to 41	I	II	II	II
	42 to 62	II*	II	III	III
	63 to 83	II*	III	III	IV
	84 to 100	III*	III	IV	V

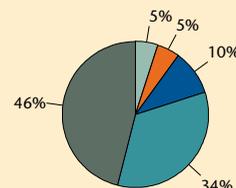
\*Investors 0-5 years away from retirement are assumed to remain invested for at least 5 years after retirement.

## SAMPLE ASSET ALLOCATION MODELS

### PROFILE I Conservative Strategy

**Asset mix:** 80% fixed income, 20% equity investment options

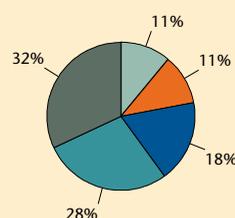
**Suitable for:** This allocation is designed for the more cautious investor, one with sensitivity to short-term losses and/or a shorter time horizon. It is targeted toward the investor seeking investment stability from the investable assets, but still seeking to beat inflation over the long term. The main objective of this investor is to preserve capital while providing income potential. Investors may expect fluctuations in the values of this portfolio to be smaller and less frequent than in more aggressive portfolios.



### PROFILE II Moderate Conservative Strategy

**Asset mix:** 60% fixed income, 40% equity investment options

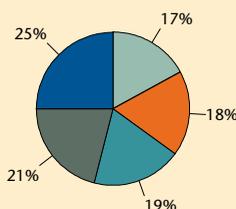
**Suitable for:** This allocation may be appropriate for the investor who seeks both modest capital appreciation and income potential from his or her portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than the most conservative investors. While this allocation is still designed to preserve capital, fluctuations in the values of this portfolio may occur from year to year.



### PROFILE III Moderate Strategy

**Asset mix:** 60% equity, 40% fixed income investment options

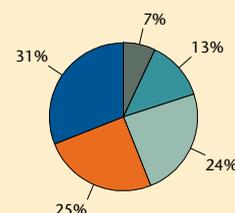
**Suitable for:** This allocation may suit the investor who seeks relatively stable growth with a lower level of income potential. An investor in the moderate risk range will have a higher tolerance for risk and/or a longer time horizon than more conservative investors. The main objective of this investor is to achieve steady growth while limiting fluctuation to less than that of the overall stock markets.



### PROFILE IV Moderate Aggressive Strategy

**Asset mix:** 80% equity, 20% fixed income investment options

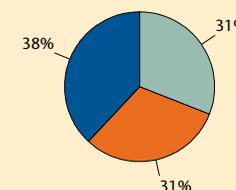
**Suitable for:** This allocation is designed for investors with a relatively high tolerance for risk and a longer time horizon. These investors have little need for current income and seek above-average growth from the investable assets. The main objective of this profile is capital appreciation, and its investors should be able to tolerate moderate fluctuations in their portfolio values.



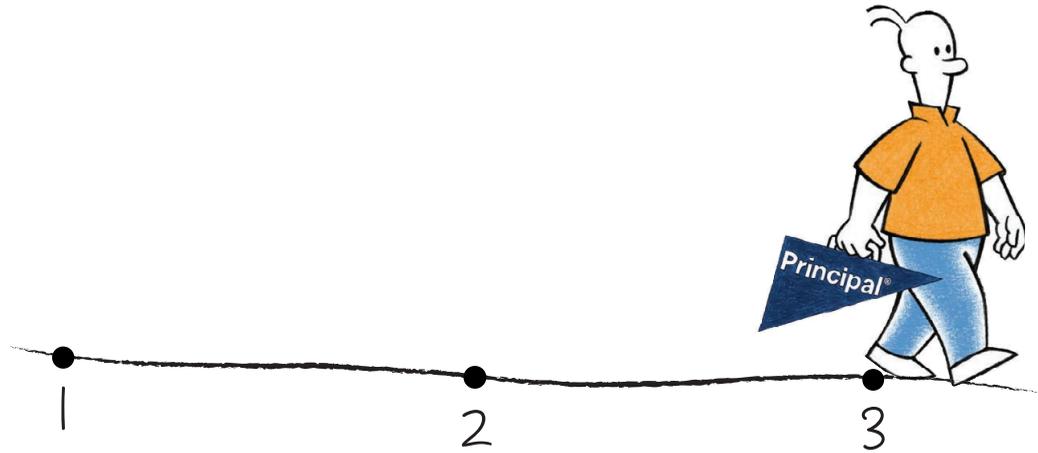
### PROFILE V Aggressive Strategy

**Asset mix:** 100% equity investment options

**Suitable for:** This allocation may be appropriate for investors who have both a high tolerance for risk and a long investment time horizon. The main objective of this profile is to provide high growth, which means the investor is not as concerned with receiving current income. This portfolio may have larger and more frequent fluctuations from year to year, making it potentially less desirable for investors who do not have both a high tolerance for risk and an extended investment horizon.



No investment strategy, such as diversification or asset allocation, can guarantee a profit or protect against loss in periods of declining value.



# 3

## Enroll now: Start saving today

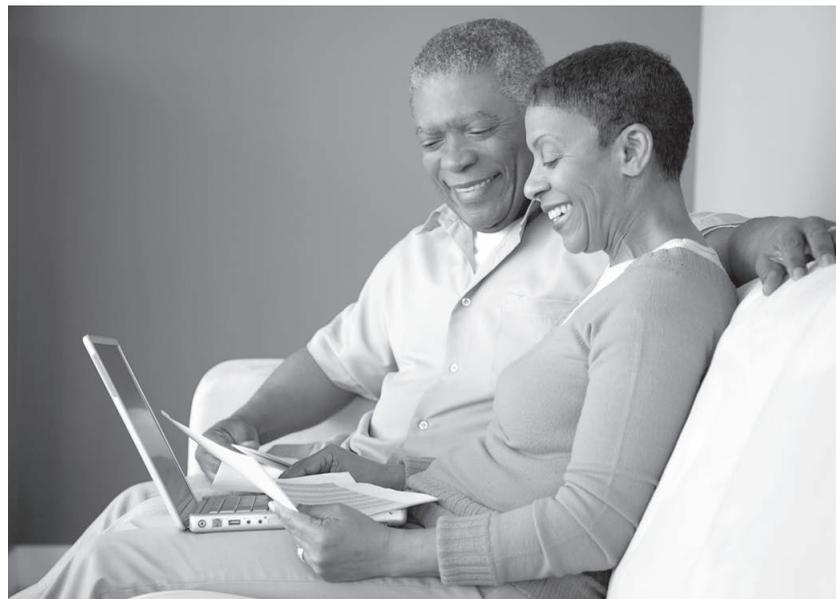
It's time to complete the final step of the enrollment process. In STEP 1, you determined the percentage of your pay you wish to start saving. In STEP 2, you decided on an investment strategy for retirement savings. Now you're ready to enroll.

### Help secure your future

To enroll in the plan, follow the instructions on the next page.

As a participant of your employer's retirement savings plan, you may feel comfortable knowing you're taking a step toward a more secure financial future. Our goal is to make planning for your retirement an easier process. And when you're ready to retire, we have the products and experience to help meet your retirement needs.

In STEP 3, find out how the Principal Financial Group® can provide you with the ongoing support you need.



## Enrollment Instructions

The process to enroll in the retirement plan is quick and easy. In as little as five minutes, you can be on your way to a more secure financial future.

### Visit [Principal.com/Enroll](https://www.principal.com/enroll)

- Select a contribution amount.
- Select investment options.
- Get help along the way.



The personalized enrollment process helps guide you through the decisions you need to make.

**If you prefer to enroll by phone, call 1-800-547-7754.** When prompted, enter your Social Security number. You will be routed to a retirement specialist for personalized assistance.

Retirement specialists are available Monday through Friday from 7 a.m. to 9 p.m. (CT).

## Keep in touch

After you've enrolled, keep in touch with The Principal for help staying on track toward your retirement goals.

Log in to **principal.com** anytime to manage your account and use planning tools and resources.

- Under **Account Login**, select **Personal** as the login type and click **Go**.
- Follow the prompts to establish access.

To access the account and make changes by phone, call **1-800-547-7754**.



## My Personal Information (please print with black ink)

Name (Last) \_\_\_\_\_ (First) \_\_\_\_\_ (MI) \_\_\_\_\_ Phone Number  
(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Street Address \_\_\_\_\_ Email Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_ Gender  
 Male  Female

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Marital Status  
 Single  Married

Expected Retirement Age \_\_\_\_\_ Original Date of Employment \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

If you were rehired, Date of Termination Date of Rehire  
complete these dates: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

NOTE: The email address you submit will be used for services provided by the Principal Financial Group®, unless otherwise elected. We will not provide your email to third parties. For more information, see your privacy policy at [principal.com](http://principal.com).

### Rollover Funds

▶ Complete if you would like to consolidate retirement savings.

**YES! Help me roll over retirement savings from a previous employer's retirement plan.** Please call me at (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ to discuss my options. The best time to call is \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. My estimated rollover balance is \$ \_\_\_\_\_.

*To learn about rollover opportunities now, call The Principal at 1-800-547-7754, Monday – Friday, 7 a.m. - 9 p.m. CT.*

**Complete all 3 STEPS** **1** **2** **3** *to enroll in the retirement savings plan, or to make changes to your contribution percentage.*

### **1** My Contributions<sup>A</sup>

**Enroll me! (pick one)**

- I elect to contribute \_\_\_\_\_% (0% to 100%) of my current and future pay per pay period before taxes, and/or I elect to contribute \_\_\_\_\_% (0% to 100%) after taxes as Roth after-tax elective deferral contributions. This will also apply for my current and future bonus pay.
- I am already enrolled, but I want to change my contribution to \_\_\_\_\_% (0% to 100%) of my current and future pay per pay period as pre-tax contributions, and/or change my contribution to \_\_\_\_\_% (0% to 100%) of my current and future pay per pay period as Roth after-tax elective deferral contributions. This will also apply for my current and future bonus pay.
- I choose **not to contribute** to the retirement plan at this time.

## My Contributions

### Principal Step Ahead Retirement Option<sup>SM</sup>

*(optional, but may help you stay on track)*

In addition to electing to contribute a portion of my current and future pay per pay period, I would also like to automatically increase my contribution amount each year with **Principal Step Ahead**. I may opt out or change the step ahead increase rate at any time.

**Step ahead** my pre-tax salary deferral contribution by \_\_\_\_\_% each year for the next \_\_\_\_\_ years OR until my contribution totals \_\_\_\_\_%.<sup>A</sup>

**Step ahead** my after-tax Roth Elective deferral contribution by \_\_\_\_\_% each year for the next \_\_\_\_\_ years OR until my contribution totals \_\_\_\_\_%.

This increase – or **step ahead** – will be initiated each \_\_\_\_\_ (month/day) or the next date allowed by the plan.

<sup>A</sup> Elective deferral contributions are limited to the lesser of the plan or IRS Limit for the current calendar year. See plan summary or your employer for limits.

---

## 2 My Investment Choices

Please elect **ONE OF THE TWO CHOICES** by checking the box(es) and completing the applicable information for your choice.  
*(If you are already enrolled and want to make changes to how future contributions are directed, visit [principal.com](http://principal.com) or call 1-800-547-7754.)*

**CHOICE A: RetireView® Populated Models**

To elect, log in to your account at principal.com. See the RetireView Populated Models and applicable investment at principal.com.

RetireView is an investment educational service with 20 different models using a variety of different levels of risk and asset classes. Your employer populates the models with the plan's investment options, suggesting a mix of investments that may be right for you based on your comfort level with risk and years to retirement. We know it may sound complicated, so let us break it down.

**RetireView has two features that you'll want to know about to help you stay in tune with your investment strategy.**

- ▶ **Automatic age adjustment.** As you get closer to retirement, the Populated Models automatically makes adjustments to the investment mix, typically getting more conservative. That's because you likely won't have as much time to regain any losses. You have the flexibility to opt out of this feature, if you prefer.
- ▶ **Rebalancing.** Some investment options may perform better over time and grow faster than others, causing your investment mix to differ from what you originally selected. Rebalancing helps keep your mix of investments in line. That schedule automatically defaults to quarterly rebalancing. You can choose to change your rebalancing frequency to annually or semiannually by logging in to your account at principal.com. RetireView® is an online experience, and you can elect your RetireView® Populated Models by logging in to your account at principal.com. To see how comfortable you are with risk take the Investor Profile Quiz at principal.com/investorprofilequiz. Then, based on the results, you can elect to allocate money according to a RetireView model. Or, if you feel that model doesn't fit you, you can choose one from the other 19 RetireView models that you think aligns more closely with you.

Risk/age tolerance models are created by Morningstar Investment Management LLC. Morningstar begins by analyzing asset classes and constructs long-term expected returns, standard deviations, and correlation coefficients. These form the inputs for the mean variance optimization, a statistical technique. Because forecasting is a critical and pivotal step in the asset allocation process, Morningstar develops proprietary capital market forecasts for each asset using a combination of historical data, current market information and additional analysis. Each forecast becomes an input in portfolio creation.

The risk tolerance models (models) are intended to be used as an additional information source for retirement plan participants making investment allocation decisions. Pursuant to the **Department of Labor Definition of Investment Education 29 C.F.R. §2510.3-21(b)(2)(iv)**, such models (taken alone or in conjunction with this document) do not constitute investment advice for purposes of the Employee Retirement Income Security Act (ERISA), and there is no agreement or understanding between Morningstar and us or any plan or plan fiduciary, or any participant who uses this Service, under which the latter receives information, recommendations or advice concerning investments that are to be used for any investment decisions relating to the plan. Accordingly, neither we nor Morningstar are a fiduciary with respect to your plan sponsor's plan for purposes of this Service, including the features of rebalancing and aging.

Following an asset allocation model does not ensure a profit or protect against a loss. Performance of the individual models may fluctuate and will be influenced by many factors. In applying particular asset allocation models to their individual situations, participants or beneficiaries should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, IRA investments, savings accounts and interests in other qualified and nonqualified plans) in addition to their interests in the plan.

Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc.

Morningstar Investment Management LLC is not an affiliate of any company of the Principal Financial Group.

**CHOICE B: Choose your own asset allocation**

I elect the following investment options (enter percentages below.)

*(Please refer to the Investment Option Summary for more information.)*

NEW CONTRIBUTIONS

**Short-Term Fixed Income**

Fixed Income Guaranteed Option \_\_\_\_\_ %

**Fixed Income**

## My Investment Choices

NEW  
CONTRIBUTIONS

### JP Morgan Investment Mgmt Inc.

JP Morgan High Yield R5 Fund	_____	%
<b>Metropolitan Management</b>		
Metropolitan West Total Return Bond M Fund	_____	%

### Balanced/Asset Allocation

#### T. Rowe Price Associates, Inc.

T. Rowe Price Retirement Balanced Advisor Fund	_____	%
T. Rowe Price Retirement 2005 Advisor Fund	_____	%
T. Rowe Price Retirement 2010 Advisor Fund	_____	%
T. Rowe Price Retirement 2015 Advisor Fund	_____	%
T. Rowe Price Retirement 2020 Advisor Fund	_____	%
T. Rowe Price Retirement 2025 Advisor Fund	_____	%
T. Rowe Price Retirement 2030 Advisor Fund	_____	%
T. Rowe Price Retirement 2035 Advisor Fund	_____	%
T. Rowe Price Retirement 2040 Advisor Fund	_____	%
T. Rowe Price Retirement 2045 Advisor Fund	_____	%
T. Rowe Price Retirement 2050 Advisor Fund	_____	%
T. Rowe Price Retirement 2055 Advisor Fund	_____	%
T. Rowe Price Retirement 2060 Advisor Fund	_____	%

### Large U.S. Equity

#### T. Rowe Price Associates, Inc.

T. Rowe Price Equity Income Fund	_____	%
<b>T. Rowe Price/Brown Advisory</b>		
LargeCap Growth I Inst Fund	_____	%
<b>Vanguard Group</b>		
Vanguard 500 Index Admiral Fund	_____	%

### Small/Mid U.S. Equity

#### AB/Brown/Emerald

SmallCap Growth I Inst Fund	_____	%
<b>Goldman Sachs Asset Mgt</b>		
Goldman Sachs Small Cap Value Inst Fund	_____	%
<b>JP Morgan Investment Mgmt Inc.</b>		
JP Morgan Mid Cap Growth I Fund	_____	%
<b>Massachusetts Financial Svc Co</b>		
MFS Mid Cap Value R6 Fund	_____	%
<b>Nuveen Asset Management</b>		
Nuveen Real Estate Securities I Fund	_____	%
<b>Vanguard Group</b>		
Vanguard Mid Cap Index Admiral Fund	_____	%
Vanguard Small Cap Index Inv Fund	_____	%

### International Equity

#### MFS Investment Management

MFS International Diversification R4 Fund	_____	%
---	-------	---

TOTAL of all lines: \_\_\_\_\_ 100 %

Your investment election will be effective when it is received in the Corporate Center of The Principal by the close of market. Forms received after the close of market will be processed on the next open market date. If no investment election is received, or contributions are received prior to your investment election, contributions will be directed according to the plan's default investment alternative(s): **T Rowe Price Advisor Share Class** based on your current age and the plan's normal retirement date.

▶ *If you've completed this section, move ahead to **My Signature!*** **3**

**3 My Signature**

Please sign, then give this completed form to your benefits representative.

This agreement applies to amounts earned until changed by me in writing. I understand my plan sponsor may reduce my contributions only when required to meet certain plan limits. I will review all statements regularly and report any discrepancy to The Principal immediately.

Signature

Date

X \_\_\_\_\_

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Be sure you have completed all 3 STEPS. 1 2 3**



## Important Information

The subject matter in this communication is provided with the understanding that The Principal® is not rendering legal, accounting, or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

Your plan sponsor has chosen to make available to you all of the investment options listed on this enrollment form.

Insurance products and plan administrative services are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®), Des Moines, IA 50392.

Information in this enrollment form/worksheet should not be construed as investment advice.

This workbook content is current as of the production date noted below. If there are any discrepancies between this information and the legal plan document, the legal plan document will govern. If the production date is older than three months or has passed a quarter end, you should contact your plan sponsor or log in to [principal.com](http://principal.com) for current retirement plan and investment option information. The member companies of the Principal Financial Group® prohibit the manipulation of this workbook content. If your plan sponsor elects to provide this workbook electronically, The Principal® is not responsible for any unauthorized changes.

© 2017 Principal Financial Services, Inc.



## Know your options:

# What to do with your retirement savings<sup>1</sup>

It's important to understand the options for the savings you have in your former employer's retirement plan. If you are eligible to take your money out (this is known as a distribution), there are typically four possible options.

There are advantages and drawbacks for each option. You should consider the differences in investment options, fees and expenses, tax implications, services and penalty-free withdrawals.

This summary can help you identify some important considerations.<sup>2</sup> There may be other factors to consider due to your specific needs and situation. You may wish to consult with your tax or legal advisor.

### Retirement Savings Options

- Roll savings into an individual retirement account (IRA)
- Keep savings in your former employer's retirement plan
- Roll savings to your new employer's retirement plan
- Cash out savings and close the account

(May use a combination of these options)

## Retirement Savings Options

### Roll savings into an IRA

#### Advantages

- Maintains tax-deferred status of savings
- Continue to make contributions and save for retirement
- Combine other qualified plans or IRA savings into one account
- Offers greater control as it's your account and you make the decisions
- Offers broad range of investment options to fit needs as they change over time
- Protected from bankruptcy
- May have the services of a financial professional to help with investing and retirement planning
- Flexibility when setting up periodic or unscheduled withdrawals
- May help with planning and managing required minimum distributions at age 70½

#### Drawbacks

- Investment expenses and account fees may be higher than those of employer plans
- No fiduciary required to prudently monitor the cost and quality of the investment options
- IRS penalty-free withdrawals generally not allowed until age 59½
- Loans not allowed. Can only access money by taking a taxable distribution
- Limited protection from creditors
- In-kind transfers of company stock to an IRA will result in appreciated value being taxed as ordinary income at withdrawal from the IRA

**It's important to know the types and range of investments and fees of an IRA.**

### Keep savings in your former employer's plan

#### Advantages

- Maintains tax-deferred status of savings
- Keeps current investment choices
- Preserves any guaranteed interest rate
- Keeps ownership of company stock in the account where it may have certain tax benefits at withdrawal
- Fees in employer plan may be lower than similar individual accounts
- Plan fiduciary required to prudently monitor the cost and quality of the investments options

#### Drawbacks

- Changes made to the plan by your former employer will impact you (i.e., plan investments, fees, services, plan providers, plan termination)
- Investment choices limited to those offered through your former employer's retirement plan
- Subjects you to limitations of the plan, including income distribution provisions when you retire
- Account may be assessed fees for plan administration or other reasons

[Continued on next page](#)

## Keep savings in your former employer's plan (continued)

---

### Advantages

- IRS penalty-free withdrawals if you're at least 55 years old in the year you left your job
- Protected from creditors and bankruptcy
- Plan may provide access to planning tools, educational resources and phone helpline

### Drawbacks

- Access to personalized investment advice or advice that takes into account your other assets or particular needs may not be available through the retirement plan
- No new contributions allowed

Check with your former employer's plan administrator to confirm plan details and requirements.

## Roll savings to your new employer's plan – This is an option if you are joining a company that offers a retirement plan.

---

### Advantages

- Maintains tax-deferred status of savings
- Continue to make contributions and save for retirement
- Combine other qualified plans or IRA savings into one account
- Fees in employer plan may be lower than similar individual accounts
- Plan fiduciary required to prudently monitor the cost and quality of the investments options
- IRS penalty-free withdrawals if you're at least 55 years old in the year you leave your new job\*
- Protected from creditors and bankruptcy
- Plan may provide access to planning tools, educational resources and phone helpline
- Loan provisions may allow borrowing from the rolled over money
- No required minimum distribution at age 70½ from a current employer's plan is required, unless you are a 5% or more owner of the company

### Drawbacks

- Changes made to the plan by your employer will impact you (i.e., plan investments, fees, services, plan providers, plan termination)
- Investment choices limited to those the plan offers
- Subjects you to limitations of the plan, including income distribution provisions when you retire
- Account may be assessed fees for plan administration or other reasons
- Access to personalized investment advice or advice that takes into account your other assets or particular needs may not be available through the retirement plan
- Plan may offer fewer or more expensive investment options than your former employer's plan
- May be more restrictive on withdrawals while employed
- Roll-ins may not be allowed or an eligibility period may need to be satisfied
- In-kind transfers of company stock will result in appreciated value being taxed as ordinary income at withdrawal from the retirement plan

Check with your former employer's plan administrator to confirm plan details and requirements.

## Cash out savings and close the account

---

### Advantages

- Immediate access to cash
- May see significant tax advantage for company stock that has substantially appreciated
- If after-tax contributions were made, could take these amounts tax-free (though you will be required to pay tax on the earnings of these contributions)

### Drawbacks

- At distribution, 20% withheld on the taxable account balance for pre-payment of federal income taxes
- State taxes and a 10% early distribution penalty may also apply on taxable account balance
- May move you to a higher tax bracket
- Forfeits future tax-deferred growth potential
- Not protected from creditors or bankruptcy

If this money is no longer set aside for retirement, will you have the savings you need when you want to retire or can no longer work?

\*In-service withdrawals may be allowed while you are still working for the company sponsoring the retirement plan. Check with the plan administrator for details and requirements.

<sup>1</sup> These considerations were prepared for pre-tax 401(k) accounts. Some – but not all – of these considerations may also apply to other types of plans and/or accounts (e.g., Roth after-tax accounts). You may wish to consult a tax advisor if you participate in a different type of plan or hold a different type of account.

<sup>2</sup> These descriptions are for general educational purposes and should not be construed as advice or recommendations. This is not tax or legal advice and you may wish to consult with your tax or legal advisors on these issues.

Insurance products and plan administrative services provided by Principal Life Insurance Company, a member of Principal Financial Group® (Principal®), Des Moines, IA 50392.

PG4810-02 | 05/2016 | © 2016 Principal Financial Services, Inc. | t16053102vw



Principal Life Insurance Company  
Des Moines, IA 50306-9394

CTD01314

**Instructions:** Complete all steps listed and sign this form to roll over funds from a previous employer's plan or Individual Retirement Account (IRA) into the current retirement plan with services by Principal®.

### 1. Personal Information (please print with black ink)

<b>Name</b>			<b>Date of Birth</b>	<b>Social Security Number</b>
			/ /	- -
_____	_____	_____	_____	_____
Last	First	MI		

#### Mailing Address

_____	_____	_____	_____	_____
Street	Apt	City	State	Zip Code

_____	_____	_____
Date of Hire	Phone Number	Email Address
/ /	- -	

The email address you provide will be used for services provided by the Principal Financial Group®. For more information, see the privacy policy at principal.com.

### 2. Tell us about your rollover funds

Do you know if the funds are **pre-tax** or **after-tax** contributions? (check one)

- Yes.** Please provide more details (check all that apply).
  - Pre-tax.** Approximate account value \$ \_\_\_\_\_
  - After-tax.** What kind of after-tax contributions are the funds? (check all that apply)
    - 1.) Roth**
      - Roth deferral amount (excluding any earnings/losses) \$ \_\_\_\_\_
      - Earnings on Roth deferral \$ \_\_\_\_\_
      - Tax year of the first Roth deferral \_\_\_\_\_
    - Was any part of the Roth account originally a pre-tax contribution?**
      - No**
      - Yes,** I've completed a in-plan Roth conversion of pre-tax contribution to a Roth account. \$ \_\_\_\_\_
        - Tax year of completion \_\_\_\_\_
    - 2.) Other after-tax contributions** (not Roth)
      - Other after-tax contribution amount (excluding any earnings/losses) \$ \_\_\_\_\_
- No. Not sure?** That's ok. We'll work with you to get this information from the financial institution currently holding the funds.

### 3. Confirm rollover

**By signing this form, I agree that...**

This form is designed to be a quick way to direct the investment of eligible rollover funds. If I do not have an investment election on file or wish to make an alternative allocation, I will select investment options by logging in to principal.com or calling 1-800-547-7754.

If I don't make a different investment election prior to my rollover funds being received by Principal®, my funds will be invested based on my current investment election. If I do not have a current investment election on file my funds will directed to the plan's investment default alternative(s): T Rowe Price Advisor Share Class based on your current age and the plan's normal retirement date.

I certify that this rollover contains no funds from a hardship withdrawal, no excess contribution amounts, and no funds subject to a required minimum distribution.

I certify that no part of this rollover is part of an inherited IRA, simple IRA, SIMPLE IRA within 2 years of the first contribution, or Roth IRA.

I certify that, if the funds are coming from a former employer's plan, I have verified that the plan is a plan qualified under Internal Revenue Code 401(a) or (b) or 457 (b).

I understand that Principal will rely on the information I have provided on this form and/or information from the current financial institution regarding the deposit breakdown between pre-tax and after-tax (including any Roth contributions).

You have options other than rolling the retirement account from your former employer's retirement plan to your new employer's plan. Fees, investment options, services and plan features vary between retirement plans.

By rolling over funds to this account, I agree that I have received and reviewed information about the plan's investment options so that I may make an informed investment decision. Information about the plan's investment options is available in the *Investment Option Summary* included in the enrollment booklet and online at principal.com.

You must roll over qualified funds within 60 days of distribution to avoid tax penalties. If it has been more than 60 days, I agree that I am self-certifying this rollover because I am eligible for a waiver of that period per the guidelines provided by the IRS, and will be submitting a copy of my self-certification to Principal.

**My Signature**

**Date**

X \_\_\_\_\_ / /

\*You may roll over a distribution from a traditional IRA to a plan qualified under the Internal Revenue Code §401(a) or (b), an annuity, or a Governmental 457(b) plan to the extent that the distribution would be taxable if not rolled over. After-tax contributions in an IRA (including non-deductible contributions to a traditional IRA) may not be rolled over to one of these plans. Amounts rolled into a Governmental 457(b) plan other than another Governmental 457(b) plan are subject to an early withdrawal tax.

You may roll over a Roth account only into a plan that allows Roth contributions. Please check your *Summary Plan Description* or plan document before rolling over Roth accounts to make sure Roth contributions are available.

### 4. Plan sponsor authorization

The plan sponsor or trustee has authorized Principal Life Insurance Company to accept rollover contributions per a signed agreement.

### 5. Request the funds and contribution details

You need to request the funds from the current financial institution holding them. You'll need to provide them some instructions regarding how they provide the funds to us and the breakdown of how they should be directed based on your pre-tax and after-tax contributions (see below). We'll rely on this information and/or the information you've provided on this form when directing the funds here at Principal.

**Or we can help you do it.** If you'd like some help contacting the current financial institution, call us at 1-800-547-7754 for more information.

Contract/Plan ID Number 4-58099

**Checks must be made payable to:**

Principal Trust Company  
FBO: <Your Name>  
Contract/Plan ID Number 4-58099

Deposit breakdown between pre-tax  
and after-tax contributions

**Checks must be mailed to:**

Principal Financial Group  
P.O. Box 9394  
Des Moines, IA 50306-9394

**Wire transfer instructions:**

ABA Number: 121000248  
Account Number: 0837354943  
FBO: <Your Name>  
Contract/Plan ID Number 4-58099

Deposit breakdown between pre-tax  
and after-tax contributions

## 6. Send completed form and rollover funds

If we don't receive this form within 15 business days of receiving the rollover funds, the rollover funds will be returned.

**Check enclosed**

**Mailing address for completed form and check:**

Principal Financial Group  
P.O. Box 9394  
Des Moines, IA 50306-9394

**Prior financial institution will send check/wire funds**

**Fax** this completed and signed form to the number  
below so we know your rollover funds are on the way:

**1-866-704-3481**

**For residents of Florida:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Investment options are subject to investment risk. Shares or unit values will fluctuate, and investments, when redeemed, may be worth more or less than their original cost.

If funds are rolled into the plan prior to the participant attaining eligibility, this form is only valid if the participant receives the plan's *Investment Options Summary* and 404 notice prior to executing.

This workbook content is current as of the production date noted below. If there are any discrepancies between this information and the legal plan document, the legal plan document will govern. If the production date is older than three months, you should contact your plan sponsor or log in to principal.com for current retirement plan and investment option information. The member companies of the Principal Financial Group® prohibit the manipulation of this workbook content. If your plan sponsor elects to provide this workbook electronically, Principal® is not responsible for any unauthorized changes.

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

©2017 Principal Financial Services, Inc.

PG4689-12 | 12/2016 | t16101808bq





NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION 403(B) SAVINGS PLAN

Principal Life Insurance Company
Des Moines, IA 50306-9394

Beneficiary Form

Retirement Plan Beneficiary Designation Without QPSA Requirement

Contract/Plan ID Number 4-58099
CTD01304

You may designate your beneficiary either online at principal.com or by completing the below form. Follow these steps to name your beneficiary(ies): 1) Complete the Personal Information section. 2) Select one of the beneficiary choices (Choice A, Choice B, or Choice C). See Page 3 for more detailed instructions and examples. 3) Name your beneficiary(ies) on Page 2. 4) Sign the form at the bottom of Page 2. 5) Return the beneficiary form to Principal Life Insurance Company and keep a copy for your records.

Note: Only use this form if the plan does not allow Life Annuities or is a Governmental 457 Plan.

Personal Information (please print with black ink)

Form fields for Name (Last, First, MI), Phone Number, Address, Email Address, City, State, Zip, and Social Security Number.

My Beneficiary Choices (pick one)

Choice A: Single Participant (includes widowed, divorced or legally separated)

I am not married and designate the individual(s) named on Page 2 of this form to receive death benefits from the plan. I understand if I marry, this designation is void one year after my marriage (some plans specify a shorter period).

Choice B: Married with Spouse as Sole Beneficiary (spouse's signature is not required)

I am married and designate my spouse named on Page 2 of this form to receive all death benefits from the plan/contract.

Choice C: Married with Spouse Not as Sole Primary Beneficiary [Spouse's signature REQUIRED]

By checking this box, I agree only to the beneficiary designation on this form. My spouse cannot change the beneficiary without my consent. Spouse's Signature (must be witnessed by plan representative or notary public) Date

X \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

The spouse appeared before me and signed the consent on: Plan Representative or Notary Public Signature Date
\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ X \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(Check if applicable) I certify that my spouse cannot be located to sign this consent. I will notify the plan sponsor if my spouse is located. Note: If your spouse cannot be located, check this box and have it witnessed by the plan representative. It must be established to the satisfaction of the plan representative that your spouse cannot be located.

I certify that spousal consent cannot be obtained because spouse cannot be located. Plan Representative Signature Date
X \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

## Naming My Beneficiary(ies)

Before completing, please read the instructions, examples and Qualified Preretirement Survivor Annuity notice information on this form. You may name one or more primary and/or contingent beneficiaries. If you need more space to name beneficiaries or name a Trust, Testamentary Trust, or minor children (custodian for minors), please attach a separate list that you have signed and dated. Note: Unless otherwise provided, if two or more beneficiaries are named, the proceeds shall be paid to the named beneficiaries, or to the survivor or survivors, in equal shares.

Name (primary beneficiary[ies])	Date of Birth	Relationship	Social Security Number	Percent
_____	___/___/___	_____	____-____-____	_____
Address _____	City _____	State _____	ZIP _____	

Name (primary beneficiary[ies])	Date of Birth	Relationship	Social Security Number	Percent
_____	___/___/___	_____	____-____-____	_____
Address _____	City _____	State _____	ZIP _____	

### If primary beneficiary(ies) is not living, pay death benefits to:

In most circumstances, your contingent beneficiary(ies) will only receive a death benefit if the primary beneficiary predeceases you and the death benefit has not been paid in full.

Name (contingent beneficiary[ies])	Date of Birth	Relationship	Social Security Number	Percent
_____	___/___/___	_____	____-____-____	_____
Address _____	City _____	State _____	ZIP _____	

Name (contingent beneficiary[ies])	Date of Birth	Relationship	Social Security Number	Percent
_____	___/___/___	_____	____-____-____	_____
Address _____	City _____	State _____	ZIP _____	

## Name Change

Change my name from: \_\_\_\_\_ Change my name to: \_\_\_\_\_ Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Reason:  Married  Divorce  Other - provide reason: \_\_\_\_\_

## My Signature

This designation revokes all prior designations made under the retirement plan.

My Signature (Required) \_\_\_\_\_ Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

UNDER THE PENALTIES OF PERJURY, I certify by my signature that all of the information on this beneficiary designation form is true, current and complete.

## Instructions

Read carefully before completing this form. To be sure death benefits are paid as you wish, follow these guidelines:

**Use Choice A** If you are not married.

**Use Choice B** If you are married and want all death benefits from the plan paid to your spouse. Your spouse does not have to sign the form.

**Use Choice C** If you are married and want death benefits paid to someone other than your spouse, in addition to your spouse, or to a trust or estate. Your spouse must sign the spouse's consent on this form. This signature must be witnessed by a plan representative or notary public.

**You may name one or more contingent beneficiaries.** If you need more space to name beneficiaries or name a Trust, Testamentary Trust, or minor children (custodian for minors), please attach a separate list that you have signed and dated.

**Be sure you sign and date the form.** Keep a copy of this form for your records. If you do not date the form, the designation will become effective the day it's received by your plan sponsor or Principal Life Insurance Company depending upon plan provisions.

If your marital status changes, review your beneficiary designation to be sure it meets these requirements. If your name changes, complete the Name Change section of this form.

## Examples of Naming Beneficiaries

Be sure to use given names such as "Mary M. Doe," not "Mrs. John Doe," and include the address and relationship of the beneficiary or beneficiaries to the participant. If you need more space to name beneficiaries or name a Trust, Testamentary Trust, or minor children (custodian for minors), please attach a separate list that you have signed and dated. The following examples may be helpful to you:

	Name	Relationship	Social Security Number	Address	Amount/Percent
<b>One Primary Beneficiary</b>	Mary M. Doe	Sister	###-##-####	XXXXXXXXXXXX	100%
<b>Two Primary Beneficiaries</b>	Jane J. Doe John J. Doe or to the survivor	Mother Father	###-##-#### ###-##-####	XXXXXXXXXXXX XXXXXXXXXXXX	50% 50%
<b>One Primary Beneficiary and One Contingent</b>	Jane J. Doe if living; otherwise to John J. Doe	Spouse Son	###-##-#### ###-##-####	XXXXXXXXXXXX XXXXXXXXXXXX	100% 100%
<b>Estate</b>	My Estate				100%
<b>Trust</b>	ABC Bank and Trust Co.	Trustee or successor in trust under (Trust Name) established (Date of Trust Agreement)		XXXXXXXXXXXX	100%
<b>Testamentary Trust (Trust established within the participant's will)</b>	John J. Doe/ Trust created by the Last Will and ABC Bank Testament of the participant			XXXXXXXXXXXX	100%
<b>Children &amp; Grandchildren (if beneficiary is a minor, use sample wording shown below)</b>	John J. Doe Jane J. Doe William J. Doe	Son Daughter Son	###-##-#### ###-##-#### ###-##-####	XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX	33.4% 33.3% 33.3%
<b>Minor Children (custodian for minor)</b>	John J. Doe, son, and Jane J. Doe, daughter, equally, or to the survivor. However, if any proceeds become payable to a beneficiary who is a minor as defined in the Iowa Uniform Transfers to Minors Act (UTMA), such proceeds shall be paid to Frank Doe as custodian for John Doe under the Iowa UTMA, and Frank Doe as custodian for Jane Doe under the Iowa UTMA.				

## Important Information for Spouse

If your spouse has a vested account in a retirement plan, Federal law requires that you will receive the vested account after your spouse dies.

Your right to your spouse's death benefit provided by federal law cannot be taken away unless you agree. If you agree, your spouse can elect to have all or part of the death benefit paid to someone else. Each person your spouse chooses to receive part of the death benefit is called a "beneficiary". For example if you agree, your spouse can have the death benefit paid to his or her children instead of you.

Your choice must be voluntary. It is your personal decision whether you want to give up your right to your spouse's death benefit. If you do not agree to give up your right to your spouse's death benefit, you should not sign this agreement and you will receive the death benefit after your spouse dies. If you sign this agreement, your spouse can choose the beneficiary who will receive the death benefit without telling you and without getting your agreement. Your spouse can change the beneficiary at any time before the account is paid out. You have the right to agree to allow your spouse to select only a particular beneficiary. If you want to allow your spouse to select only a particular beneficiary, check the box in Choice C under My Beneficiary Choices section, which will limit the beneficiary choice to the one designated on this form.

You can change your mind with respect to giving up your right to the death benefit until the date your spouse dies. After that date, you cannot change this agreement. If you change your mind, you must notify the plan administrator in writing that you want to revoke the consent you give on this form.

Legal separation or divorce may end your right to the death benefit even if you do not sign this agreement. However, if you become legally separated or divorced, you might be able to get a special court order called a qualified domestic relations order (QDRO) that specifically protects your rights to the death benefit. If you are thinking about separating or getting a divorce, you should get legal advice on your rights to benefits from the plan.

## Spousal Agreement and Consent

I understand I have a right to all of my spouse's death benefits after my spouse dies. I agree to give up my right to all or a portion of the death benefits and have all or a portion of them paid to someone else as beneficiary. I understand that by signing this agreement, my spouse can choose the beneficiary of the death benefits without telling me and without getting my agreement. I understand that by signing this agreement, my spouse can change the beneficiary of the death benefits unless I limit my spouse's choice to the particular beneficiary by checking the appropriate box on the My Beneficiary Choices section. I understand that by signing this agreement, I may receive less money than I would have received if I had not signed the agreement, and I may receive nothing from the plan after my spouse dies. I understand that I do not have to sign this agreement. I am signing this agreement voluntarily. I understand that if I do not sign this agreement, then I will receive the death benefit after my spouse dies.

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

\* Your plan can specify a lower dollar amount.

# NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION 403(B) SAVINGS PLAN

## ERISA 404 Retirement Plan and Investment Information

04/17/2017

Contract/Plan ID Number 4-58099

### **This document uses these defined words and phrases:**

**Plan** means **NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION 403(B) SAVINGS PLAN.**

**Plan Fiduciary** means the individual(s) holding authority over the operation and administration of the Plan and its retirement funds. The Plan Sponsor is typically the Plan Fiduciary. Contact the Plan Administrator for further details.

**Plan Sponsor** means **NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AN.**

**You** means the Plan participant or beneficiary.

**Plan Administrator** is a Plan Fiduciary that has authority over operation and administration of the Plan. You should contact the Plan Administrator if you have any questions about the investment options under the Plan or if you would like paper copies of additional investment information that is available online at [principal.com](http://principal.com).

The Plan Administrator is:

NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION  
4150 CLEMENT ST  
151NC  
SAN FRANCISCO, CA 94121-1545  
415-750-6954

### **Information about ERISA Section 404(c)**

The Employee Retirement Income Security Act (ERISA) provides rules about the investment of retirement funds. The Plan Sponsor chose to qualify the Plan as an ERISA 404(c) plan and intends to comply with ERISA Section 404(c) requirements by providing information for you to make informed investment decisions and by letting you:

- Direct the investment of individual retirement accounts
- Choose from at least three diverse investment options
- Change investment choices at least quarterly

This means the Plan Fiduciary should not be liable for any investment losses that result from a participant's investment control.

### **How does this affect you?**

The Plan Fiduciary makes certain investment options available under the Plan. You decide which of those options works best for you according to your age and circumstances. This means that you are responsible for directing the investment in the account the Plan holds for your benefit (your account).

### **Directing or Transferring Between Investment Options**

You can direct or transfer retirement funds between the different investment options at least quarterly. The Plan may allow for more frequent transfers. To transfer retirement funds, you can call the automated phone system of the Principal Financial Group® at 1-800-547-7754 or log in to your account at [principal.com](http://principal.com).

A description of the exercise of voting, tender and similar rights for an investment alternative and any restrictions on these rights is located in the relevant plan document or trustee powers section of the trust agreement. Contact the Plan Administrator to obtain the plan document or the trust agreement, if applicable.

### **Fees and Expenses**

Some Plan administrative expenses are deducted on a monthly basis from the Plan and each participant pays a proportion of the expense. The amount deducted from each participant's account is determined by prorating the amount based on the participant's account balance. The dollar amount of the expense can be found by logging in to the secure website at [principal.com](http://principal.com) and on participant statements. Plan administrative expenses typically include items such as recordkeeping, participant website access, participant statements, Plan compliance services and financial professional services.

From time to time, Plan expenses may be incurred in the course of normal Plan operation for Plan services such as legal, auditing, third-party administration, consulting, investment advice to the Plan, etc. If allowed by the Plan document, the Plan Fiduciary may direct that these expenses be paid by the Plan. The Plan Fiduciary determines how these expenses are allocated among participants at the time the expenses are paid. These expenses are typically allocated based on participant account balance but may be allocated by dividing the total expense to be deducted by the total number of participants in the Plan. If such expenses are charged to participant accounts, the dollar amount of such expenses will be disclosed on the secure principal.com website and on participant statements (if applicable) for the quarter in which they are paid.

The following participant-level services have additional fees. These participant transaction fees will be charged to your account balance for the services you elect to use. Participant transaction fees for the Plan include:

- Distribution fee: \$40.00
- Loan Maintenance fee for new loans: \$12.00 per quarter
- Loan Setup fee: \$50.00
- Qualified Domestic Relations Order fee: \$220.00 Per hour for each Domestic Relations Order reviewed. The fee is divided between the participant and the alternate payee involved unless specified differently within the Domestic Relations Order or the Plan's Administrative Procedures.
- Qualified Domestic Relations Order processing fee: \$350.00 for each Domestic Relations Order processed. The fee is divided equally between the participant and the alternate payee involved unless specified differently within the Domestic Relations Order or the Plan's Administrative Procedures.
- Enhanced Hardship Withdrawal Service fee: \$80.00

**The Plan Administrator can provide the following additional information in paper form, without charge and upon request:**

- Copies of prospectuses (or any short-form or summary prospectuses) for the investment options
- Copies of any financial statements or reports, such as statements of additional information and shareholder reports, and of any other similar materials relating to the Plan's designated investment options
- A statement of the value of a share or unit of each designated investment option and the date of the valuation
- A list of the assets comprising the portfolio of each investment option which constitute Plan assets and the value of each asset (or the proportion of the investment which it comprises)
- The following information about each investment option (including fixed-return investment options) available under the Plan: issuer name, investment objective, principal strategies and risks, turnover rate, performance, and fee and expense information
- To the extent a group annuity contract under the Plan permits you to select an annuity guaranteed by an insurance company, a statement that the guarantee provided by the insurance company is subject to its long-term financial strength and claims-paying ability

To help you make informed investment choices and for more information about the investment options available to you, including investment objectives, performance and fees, please review the enclosed materials or visit principal.com.

This document provides important information to help you compare the investment options available to you under the retirement plan.

*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 additional information on the investment options, including most recent month-end performance, log in to the Principal Financial Group® website at principal.com or call our automated phone system at 1-800-547-7754.*

Additional information available online includes, if applicable, the name of the investment option's issuer; the investment option's objectives or goals; the investment option's principal strategies, including a general description of the types of assets held by the investment option; the portfolio turnover rate; and the investment option's performance data and fee and expense information.

In situations where the net and gross total investment expense figures are different, 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 total investment expense net.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. Some or all of the Plan administrative expenses are paid from the total investment expense of one or more of the Plan's investment options. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's or beneficiary's retirement account. Participants and beneficiaries can visit the Employee Benefit Security Administration's website for an example demonstrating the long-term effect of fees and expenses.

For a glossary of terms to assist you in understanding the designated investment options, log in to your account at principal.com.

Asset Class: Fixed Income																
This asset class is generally composed of investment options that invest in bonds, or debt of a company or government entity (including U.S. and Non-U.S.). It may also include real estate investment options that directly own property. These investment options typically carry more risk than short-term fixed income investment options (including, for real estate investment options, liquidity risk), but less overall risk than equities. All investment options in this category have the potential to lose value.																
Investment Category: High Yield Bond																
Inv Manager or Sub-Advisor : JP Morgan Investment Mgmt Inc.																
Investment Option Name						Average Annual Total Return										
JP Morgan High Yield R5 Fund <sup>4,12,20,22,E</sup>						<i>(as of 03/31/2017 quarter end)</i>			<i>(as of 12/31/2016 year end)</i>							
						YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
						2.30	13.70	3.59	5.92	6.57	7.05	13.93	6.53	6.64	6.99	5/2006
<b>Benchmark:</b> Merrill Lynch U.S. High Yield Master II Index						2.71	16.88	4.62	6.85	7.34	-	17.49	7.35	7.34	-	-
<b>Description:</b> The investment seeks a high level of current income by investing primarily in a diversified portfolio of debt securities which are rated below investment grade or unrated; capital appreciation is a secondary objective. The fund normally invests at least 80% of its assets in bonds, other debt securities, loan assignments and participations (Loans), commitments to purchase loan assignments (Unfunded Commitments) and preferred stocks that are rated below investment grade or unrated. It may invest no more than 30% of its net assets in Loans and Unfunded Commitments. The fund's average weighted maturity ordinarily will range between three and ten years.																
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period								
Cash	3.32	U.S. Stocks	0.46	Total Inv Exp Net %		0.70		2/60 day period								
Non-U.S. Bonds	18.20	Convertibles	0.27	Contractual Cap Expiration Date		N/A										
Preferred	0.41	U.S. Bonds	75.96	Waiver Expiration Date		10/31/2018										
Other	1.39			Total Inv Exp Gross %		0.84										
				Total Inv Exp Gross Per \$1,000 Invested		\$8.40										
				Redemption Fee		-										
Investment Category: Intermediate-Term Bond																
Inv Manager or Sub-Advisor : Metropolitan Management																
Investment Option Name						Average Annual Total Return										
Metropolitan West Total Return Bond M Fund <sup>F</sup>						<i>(as of 03/31/2017 quarter end)</i>			<i>(as of 12/31/2016 year end)</i>							
						YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
						0.76	0.70	2.33	3.46	5.57	6.38	2.29	3.85	5.68	6.42	3/1997
<b>Benchmark:</b> Bloomberg Barclays Aggregate Bond Index						0.82	0.44	2.68	2.34	4.27	-	2.65	2.23	4.34	-	-
<b>Description:</b> The investment seeks to maximize long-term total return. The fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in investment grade fixed income securities or unrated securities that are determined by the Adviser to be of similar quality. Up to 20% of the fund's net assets may be invested in securities rated below investment grade. The fund also invests at least 80% of its net assets plus borrowings for investment purposes in fixed income securities it regards as bonds.																
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period								
Cash	-1.31	Non-U.S. Bonds	3.68	Total Inv Exp Net %		0.67		1/30 day period								
U.S. Bonds	96.74	Other	0.89	Contractual Cap Expiration Date		N/A										
				Waiver Expiration Date		N/A										
				Total Inv Exp Gross %		0.67										
				Total Inv Exp Gross Per \$1,000 Invested		\$6.70										
				Redemption Fee		-										

Asset Class: <b>Balanced/Asset Allocation</b>												
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.												
Investment Category: Allocation--30% to 50% Equity												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement Balanced Advisor Fund <sup>9,10,15,20,22,E</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	3.33	7.48	3.60	4.87	4.47	5.32	6.21	5.45	4.28	5.16	10/2003	
<b>Benchmark:</b> Morningstar Moderately Conservative Target Risk Index	3.10	7.35	3.68	5.05	4.94	-	6.66	5.61	4.82	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. It is intended for retired investors who seek income and relative stability from bonds along with some capital appreciation potential from stocks. The fund's "neutral allocations," which are what T. Rowe Price considers broadly appropriate for investors during their retirement years, are 40% stock funds and 60% bond funds. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.74	U.S. Stocks	27.08	Total Inv Exp Net %			0.82			1/30 day period		
Non-U.S. Stocks	11.97	Non-U.S. Bonds	8.45	Contractual Cap Expiration Date			N/A					
Convertibles	0.11	Preferred	0.03	Waiver Expiration Date			N/A					
U.S. Bonds	49.16	Other	0.47	Total Inv Exp Gross %			0.82					
				Total Inv Exp Gross Per \$1,000 Invested			\$8.20					
				Redemption Fee			-					
Investment Category: Target-Date 2000-2010												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2005 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	3.35	7.47	3.84	5.33	4.63	4.25	6.50	6.01	4.44	4.00	5/2007	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2010 Index	2.74	6.80	3.52	5.07	5.17	-	6.64	5.83	5.10	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. It is managed based on the specific retirement year (target date 2005) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	3.51	U.S. Stocks	26.06	Total Inv Exp Net %			0.85			1/30 day period		
Non-U.S. Stocks	11.66	Non-U.S. Bonds	12.02	Contractual Cap Expiration Date			N/A					
Convertibles	0.15	Preferred	0.04	Waiver Expiration Date			N/A					
U.S. Bonds	45.93	Other	0.63	Total Inv Exp Gross %			0.85					
				Total Inv Exp Gross Per \$1,000 Invested			\$8.50					
				Redemption Fee			-					
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2010 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	3.65	8.29	4.15	5.92	4.72	6.19	6.84	6.77	4.50	6.02	10/2003	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2010 Index	2.74	6.80	3.52	5.07	5.17	-	6.64	5.83	5.10	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2010) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	3.38	U.S. Stocks	29.67	Total Inv Exp Net %			0.84			1/30 day period		
Non-U.S. Stocks	13.15	Non-U.S. Bonds	11.25	Contractual Cap Expiration Date			N/A					
Convertibles	0.14	Preferred	0.04	Waiver Expiration Date			N/A					
U.S. Bonds	41.74	Other	0.61	Total Inv Exp Gross %			0.84					
				Total Inv Exp Gross Per \$1,000 Invested			\$8.40					
				Redemption Fee			-					

Asset Class: <b>Balanced/Asset Allocation</b>																
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.																
Investment Category: Target-Date 2015																
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.																
Investment Option Name						Average Annual Total Return										
T. Rowe Price Retirement 2015 Advisor Fund <sup>9,10,20,22,F</sup>						<i>(as of 03/31/2017 quarter end)</i>			<i>(as of 12/31/2016 year end)</i>							
						YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
						4.18	9.42	4.59	6.79	5.05	4.52	7.04	7.80	4.78	4.19	5/2007
<b>Benchmark:</b> Morningstar Lifetime Moderate 2015 Index						3.03	7.56	3.80	5.62	5.25	-	7.10	6.48	5.16	-	-
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2015) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.																
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period								
Cash	3.31	U.S. Stocks	35.35	Total Inv Exp Net %		0.87		1/30 day period								
Non-U.S. Stocks	16.06	Non-U.S. Bonds	9.89	Contractual Cap Expiration Date		N/A										
Convertibles	0.13	Preferred	0.04	Waiver Expiration Date		N/A										
U.S. Bonds	34.62	Other	0.60	Total Inv Exp Gross %		0.87										
				Total Inv Exp Gross Per \$1,000 Invested		\$8.70										
				Redemption Fee		-										
Investment Category: Target-Date 2020																
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.																
Investment Option Name						Average Annual Total Return										
T. Rowe Price Retirement 2020 Advisor Fund <sup>9,10,20,22,F</sup>						<i>(as of 03/31/2017 quarter end)</i>			<i>(as of 12/31/2016 year end)</i>							
						YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
						4.93	10.85	5.06	7.59	5.27	7.00	7.15	8.69	4.93	6.75	10/2003
<b>Benchmark:</b> Morningstar Lifetime Moderate 2020 Index						3.39	8.60	4.13	6.30	5.29	-	7.66	7.29	5.18	-	-
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2020) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.																
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period								
Cash	3.33	U.S. Stocks	41.15	Total Inv Exp Net %		0.91		1/30 day period								
Non-U.S. Stocks	19.18	Non-U.S. Bonds	8.73	Contractual Cap Expiration Date		N/A										
Convertibles	0.11	Preferred	0.03	Waiver Expiration Date		N/A										
U.S. Bonds	26.85	Other	0.62	Total Inv Exp Gross %		0.91										
				Total Inv Exp Gross Per \$1,000 Invested		\$9.10										
				Redemption Fee		-										
Investment Category: Target-Date 2025																
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.																
Investment Option Name						Average Annual Total Return										
T. Rowe Price Retirement 2025 Advisor Fund <sup>9,10,20,22,F</sup>						<i>(as of 03/31/2017 quarter end)</i>			<i>(as of 12/31/2016 year end)</i>							
						YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
						5.51	11.95	5.46	8.31	5.45	4.81	7.25	9.47	5.05	4.35	5/2007
<b>Benchmark:</b> Morningstar Lifetime Moderate 2025 Index						3.87	10.09	4.53	7.15	5.38	-	8.39	8.27	5.22	-	-
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2025) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.																
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period								
Cash	3.30	U.S. Stocks	46.28	Total Inv Exp Net %		0.94		1/30 day period								
Non-U.S. Stocks	21.85	Non-U.S. Bonds	7.22	Contractual Cap Expiration Date		N/A										
Convertibles	0.10	Preferred	0.03	Waiver Expiration Date		N/A										
U.S. Bonds	20.60	Other	0.62	Total Inv Exp Gross %		0.94										
				Total Inv Exp Gross Per \$1,000 Invested		\$9.40										
				Redemption Fee		-										

Asset Class: <b>Balanced/Asset Allocation</b>												
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.												
Investment Category: Target-Date 2030												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2030 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.04	13.07	5.81	8.91	5.64	7.60	7.42	10.14	5.18	7.27	10/2003	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2030 Index	4.46	11.95	4.93	8.00	5.52	-	9.26	9.20	5.31	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2030) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	3.20	U.S. Stocks	50.98	Total Inv Exp Net %			0.97		1/30 day period			
Non-U.S. Stocks	24.32	Non-U.S. Bonds	5.78	Contractual Cap Expiration Date			N/A					
Convertibles	0.08	Preferred	0.03	Waiver Expiration Date			N/A					
U.S. Bonds	15.02	Other	0.60	Total Inv Exp Gross %			0.97					
				Total Inv Exp Gross Per \$1,000 Invested			\$9.70					
				Redemption Fee			-					
Investment Category: Target-Date 2035												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2035 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.47	13.94	6.04	9.32	5.76	5.06	7.35	10.60	5.27	4.51	5/2007	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2035 Index	5.00	13.71	5.23	8.61	5.66	-	10.07	9.82	5.41	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2035) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	3.07	U.S. Stocks	54.90	Total Inv Exp Net %			0.99		1/30 day period			
Non-U.S. Stocks	26.37	Non-U.S. Bonds	4.48	Contractual Cap Expiration Date			N/A					
Convertibles	0.06	Preferred	0.02	Waiver Expiration Date			N/A					
U.S. Bonds	10.50	Other	0.60	Total Inv Exp Gross %			0.99					
				Total Inv Exp Gross Per \$1,000 Invested			\$9.90					
				Redemption Fee			-					
Investment Category: Target-Date 2040												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2040 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.82	14.61	6.19	9.60	5.91	7.80	7.34	10.85	5.37	7.41	10/2003	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2040 Index	5.37	14.90	5.36	8.88	5.74	-	10.61	10.06	5.45	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2040) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.97	U.S. Stocks	57.98	Total Inv Exp Net %			1.01		1/30 day period			
Non-U.S. Stocks	27.99	Non-U.S. Bonds	3.12	Contractual Cap Expiration Date			N/A					
Convertibles	0.05	Preferred	0.02	Waiver Expiration Date			N/A					
U.S. Bonds	7.31	Other	0.57	Total Inv Exp Gross %			1.01					
				Total Inv Exp Gross Per \$1,000 Invested			\$10.10					
				Redemption Fee			-					

<b>Asset Class: Balanced/Asset Allocation</b>												
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.												
Investment Category: Target-Date 2045												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2045 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.89	14.79	6.25	9.64	5.93	5.23	7.47	10.87	5.39	4.64	5/2007	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2045 Index	5.54	15.40	5.34	8.87	5.71	-	10.84	10.03	5.41	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2045) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.87	U.S. Stocks	58.98	Total Inv Exp Net %			1.01		1/30 day period			
Non-U.S. Stocks	28.48	Non-U.S. Bonds	2.68	Contractual Cap Expiration Date			N/A					
Convertibles	0.04	Preferred	0.02	Waiver Expiration Date			N/A					
U.S. Bonds	6.37	Other	0.56	Total Inv Exp Gross %			1.01					
				Total Inv Exp Gross Per \$1,000 Invested			\$10.10					
				Redemption Fee			-					
Investment Category: Target-Date 2050												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2050 Advisor Fund <sup>9,10,20,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.90	14.78	6.25	9.63	5.92	5.93	7.45	10.86	5.38	5.38	12/2006	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2050 Index	5.61	15.53	5.25	8.78	5.65	-	10.89	9.93	5.35	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2050) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.91	U.S. Stocks	58.84	Total Inv Exp Net %			1.01		1/30 day period			
Non-U.S. Stocks	28.54	Non-U.S. Bonds	2.70	Contractual Cap Expiration Date			N/A					
Convertibles	0.04	Preferred	0.02	Waiver Expiration Date			N/A					
U.S. Bonds	6.39	Other	0.56	Total Inv Exp Gross %			1.01					
				Total Inv Exp Gross Per \$1,000 Invested			\$10.10					
				Redemption Fee			-					
Investment Category: Target-Date 2055												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2055 Advisor Fund <sup>9,10,20,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.95	14.83	6.28	9.65	5.91	5.22	7.45	10.85	5.37	4.63	5/2007	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2055 Index	5.66	15.57	5.13	8.65	5.58	-	10.90	9.79	5.27	-	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2055) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.94	U.S. Stocks	58.92	Total Inv Exp Net %			1.01		1/30 day period			
Non-U.S. Stocks	28.47	Non-U.S. Bonds	2.69	Contractual Cap Expiration Date			N/A					
Convertibles	0.04	Preferred	0.02	Waiver Expiration Date			N/A					
U.S. Bonds	6.35	Other	0.56	Total Inv Exp Gross %			1.01					
				Total Inv Exp Gross Per \$1,000 Invested			\$10.10					
				Redemption Fee			-					

<b>Asset Class: Balanced/Asset Allocation</b>												
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.												
Investment Category: Target-Date 2060+												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Retirement 2060 Advisor Fund <sup>9,10,20,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.92	14.88	-	-	-	5.14	7.45	-	-	2.90	6/2014	
<b>Benchmark:</b> Morningstar Lifetime Moderate 2060 Index	5.70	15.55	5.02	8.55	5.62	-	10.88	9.64	5.29	1.87	-	
<b>Description:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2060) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	3.12	U.S. Stocks	58.83	Total Inv Exp Net %		1.01		1/30 day period				
Non-U.S. Stocks	28.43	Non-U.S. Bonds	2.68	Contractual Cap Expiration Date		N/A						
Convertibles	0.04	Preferred	0.02	Waiver Expiration Date		N/A						
U.S. Bonds	6.32	Other	0.56	Total Inv Exp Gross %		1.01						
				Total Inv Exp Gross Per \$1,000 Invested		\$10.10						
				Redemption Fee		-						
<b>Asset Class: Large U.S. Equity</b>												
This asset class is generally composed of investment options that invest in stocks, or shares of ownership in large, well-established, U.S. companies. These investment options typically carry more risk than fixed income investment options but have the potential for higher returns over longer time periods. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.												
Investment Category: Large Value												
Inv Manager or Sub-Advisor : T. Rowe Price Associates, Inc.												
Investment Option Name	Average Annual Total Return											
T. Rowe Price Equity Income Fund <sup>F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	3.30	19.94	6.76	11.07	5.88	10.84	19.28	12.73	5.67	10.81	10/1985	
<b>Benchmark:</b> Russell 1000 Value Index	3.27	19.22	8.67	13.13	5.93	-	17.34	14.80	5.72	-	-	
<b>Description:</b> The investment seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in common stocks, with an emphasis on large-capitalization stocks that have a strong track record of paying dividends or that are believed to be undervalued. The adviser generally seeks investments in large-capitalization companies and the fund's yield, which reflects the level of dividends paid by the fund, is expected to normally exceed the yield of the S&P 500 Stock Index.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.21	U.S. Stocks	90.58	Total Inv Exp Net %		0.66		1/30 day period				
Non-U.S. Stocks	6.52	Non-U.S. Bonds	0.02	Contractual Cap Expiration Date		N/A						
Preferred	0.26	U.S. Bonds	0.39	Waiver Expiration Date		N/A						
				Total Inv Exp Gross %		0.66						
				Total Inv Exp Gross Per \$1,000 Invested		\$6.60						
				Redemption Fee		-						

**Asset Class: Large U.S. Equity**

This asset class is generally composed of investment options that invest in stocks, or shares of ownership in large, well-established, U.S. companies. These investment options typically carry more risk than fixed income investment options but have the potential for higher returns over longer time periods. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.

Investment Category: Large Blend

Inv Manager or Sub-Advisor : Vanguard Group

**Investment Option Name**

**Average Annual Total Return**

Vanguard 500 Index Admiral Fund <sup>2,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>				Incept Date
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	
	6.05	17.13	10.34	13.26	7.50	5.52	11.93	14.62	6.94	5.22	
<b>Benchmark:</b> Russell 1000 Index	6.03	17.43	9.99	13.26	7.58	-	12.05	14.69	7.08	-	-

**Description:** The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

<b>Composition (% of Assets) as of 02/28/2017</b>				<b>Fees &amp; Expenses</b>			<b># of Transfers Allowed/Time Period</b>	
Cash	0.49	U.S. Stocks	98.60	Total Inv Exp Net %	0.05		1/30 day period	
Non-U.S. Stocks	0.90	U.S. Bonds	0.01	Contractual Cap Expiration Date	N/A			
				Waiver Expiration Date	N/A			
				Total Inv Exp Gross %	0.05			
				Total Inv Exp Gross Per \$1,000 Invested	\$0.50			
				Redemption Fee	-			

Investment Category: Large Growth

Inv Manager or Sub-Advisor : T. Rowe Price/Brown Advisory

**Investment Option Name**

**Average Annual Total Return**

LargeCap Growth I Inst Fund <sup>B,21,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>				Incept Date
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	
	9.87	14.79	9.16	11.94	9.27	4.93	0.98	13.58	8.27	4.39	
<b>Benchmark:</b> Russell 1000 Growth Index	8.91	15.76	11.27	13.32	9.13	-	7.08	14.50	8.33	-	-

**Description:** The investment seeks long-term growth of capital. The fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with large market capitalizations at the time of purchase. It invests in growth equity securities; growth orientation emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average.

<b>Composition (% of Assets) as of 02/28/2017</b>				<b>Fees &amp; Expenses</b>			<b># of Transfers Allowed/Time Period</b>	
U.S. Stocks	94.83	Non-U.S. Stocks	4.58	Total Inv Exp Net %	0.62		1/30 day period	
Preferred	0.60			Contractual Cap Expiration Date	02/28/2018			
				Waiver Expiration Date	02/28/2018			
				Total Inv Exp Gross %	0.64			
				Total Inv Exp Gross Per \$1,000 Invested	\$6.40			
				Redemption Fee	-			

<b>Asset Class: Small/Mid U.S. Equity</b>											
This asset class is generally composed of investment options that invest in stocks, or shares of ownership in small- to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.											
Investment Category: Mid Cap Value											
Inv Manager or Sub-Advisor : Massachusetts Financial Svc Co											
Investment Option Name	Average Annual Total Return										
MFS Mid Cap Value R6 Fund <sup>1,22,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	3.60	15.59	7.75	13.45	7.42	12.77	15.86	15.15	7.60	12.61	2/2013
<b>Benchmark:</b> Russell Midcap Value Index	3.76	19.82	8.94	14.07	7.47	-	20.00	15.70	7.59	-	-
<b>Description:</b> The investment seeks capital appreciation. The fund normally invests at least 80% of the fund's net assets in issuers with medium market capitalizations. The adviser generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap(R) Value Index over the last 13 months at the time of purchase. It normally invests the fund's assets primarily in equity securities.											
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period			
Cash	2.72	U.S. Stocks	94.09	Total Inv Exp Net %		0.75		2/calendar quarter			
Non-U.S. Stocks	2.98	Preferred	0.21	Contractual Cap Expiration Date		N/A					
				Waiver Expiration Date		N/A					
				Total Inv Exp Gross %		0.75					
				Total Inv Exp Gross Per \$1,000 Invested		\$7.50					
				Redemption Fee		-					
Investment Category: Mid Cap Blend											
Inv Manager or Sub-Advisor : Vanguard Group											
Investment Option Name	Average Annual Total Return										
Vanguard Mid Cap Index Admiral Fund <sup>1,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	6.19	16.74	8.68	12.88	7.82	9.95	11.22	14.37	7.66	9.68	11/2001
<b>Benchmark:</b> Russell Midcap Index	5.15	17.03	8.48	13.09	7.94	-	13.80	14.72	7.86	-	-
<b>Description:</b> The investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.											
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period			
Cash	0.53	U.S. Stocks	98.88	Total Inv Exp Net %		0.08		1/30 day period			
Non-U.S. Stocks	0.58			Contractual Cap Expiration Date		N/A					
				Waiver Expiration Date		N/A					
				Total Inv Exp Gross %		0.08					
				Total Inv Exp Gross Per \$1,000 Invested		\$0.80					
				Redemption Fee		-					
Investment Category: Mid Cap Growth											
Inv Manager or Sub-Advisor : JP Morgan Investment Mgmt Inc.											
Investment Option Name	Average Annual Total Return										
JP Morgan Mid Cap Growth I Fund <sup>1,E</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	8.55	13.51	6.03	11.62	8.26	11.72	0.19	13.54	7.72	11.50	3/1989
<b>Benchmark:</b> Russell Midcap Growth Index	6.89	14.07	7.88	11.95	8.13	-	7.33	13.51	7.83	-	-
<b>Description:</b> The investment seeks growth of capital. Under normal circumstances, at least 80% of the fund's assets will be invested in equity securities of mid cap companies, including common stocks and debt securities and preferred stocks that are convertible to common stocks. "Assets" means net assets, plus the amount of borrowings for investment purposes. The fund invests primarily in common stocks of mid cap companies which the fund's adviser believes are capable of achieving sustained growth.											
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period			
Cash	3.80	U.S. Stocks	93.46	Total Inv Exp Net %		0.93		2/60 day period			
Non-U.S. Stocks	2.74			Contractual Cap Expiration Date		N/A					
				Waiver Expiration Date		10/31/2017					
				Total Inv Exp Gross %		1.14					
				Total Inv Exp Gross Per \$1,000 Invested		\$11.40					
				Redemption Fee		-					

Asset Class: Small/Mid U.S. Equity												
This asset class is generally composed of investment options that invest in stocks, or shares of ownership in small- to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.												
Investment Category: Small Blend												
Inv Manager or Sub-Advisor : Goldman Sachs Asset Mgt												
Investment Option Name	Average Annual Total Return											
Goldman Sachs Small Cap Value Inst Fund <sup>1,22,E</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	1.57	26.15	8.01	13.28	8.69	9.98	24.65	15.40	8.76	10.02	8/1997	
<b>Benchmark:</b> Russell 2000 Index	2.47	26.22	7.22	12.35	7.12	-	21.31	14.46	7.07	-	-	
<b>Description:</b> The investment seeks long-term capital appreciation. The fund normally invests at least 80% of its net assets plus any borrowings for investment purposes (measured at time of purchase) ("net assets") in a diversified portfolio of equity investments in small-cap issuers with public stock market capitalizations within the range of the market capitalization of companies constituting the Russell 2000(R) Value Index at the time of investment. Although it will invest primarily in publicly traded U.S. securities, including real estate investment trusts, it may also invest in foreign securities.												
Composition (% of Assets) as of 12/31/2016				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	1.07	U.S. Stocks	97.98	Total Inv Exp Net %				2/90 day period				
Non-U.S. Stocks	0.96			Contractual Cap Expiration Date				N/A				
				Waiver Expiration Date				12/29/2017				
				Total Inv Exp Gross %				1.01				
				Total Inv Exp Gross Per \$1,000 Invested				\$10.10				
				Redemption Fee				-				
Inv Manager or Sub-Advisor : Vanguard Group												
Investment Option Name	Average Annual Total Return											
Vanguard Small Cap Index Inv Fund <sup>1,2,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	3.70	21.36	7.27	12.74	8.06	10.67	18.17	14.68	8.04	10.65	10/1960	
<b>Benchmark:</b> Russell 2000 Index	2.47	26.22	7.22	12.35	7.12	-	21.31	14.46	7.07	-	-	
<b>Description:</b> The investment seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.												
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.18	U.S. Stocks	97.17	Total Inv Exp Net %				1/30 day period				
Non-U.S. Stocks	0.64	U.S. Bonds	0.01	Contractual Cap Expiration Date				N/A				
Other	0.01			Waiver Expiration Date				N/A				
				Total Inv Exp Gross %				0.20				
				Total Inv Exp Gross Per \$1,000 Invested				\$2.00				
				Redemption Fee				-				
Investment Category: Small Growth												
Inv Manager or Sub-Advisor : AB/Brown/Emerald												
Investment Option Name	Average Annual Total Return											
SmallCap Growth I Inst Fund <sup>B,1,11,21,24,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	6.51	23.90	5.96	11.28	8.65	5.79	9.25	12.97	8.41	5.47	12/2000	
<b>Benchmark:</b> Russell 2000 Growth Index	5.35	23.03	6.72	12.10	8.06	-	11.32	13.74	7.76	-	-	
<b>Description:</b> 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. For this fund, companies with small market capitalizations are those with market capitalizations equal to or smaller than the greater of: 1) \$6.0 billion or 2) the highest market capitalization of the companies comprising the Russell 2000(R) Growth Index (as of December 31, 2016, the range was between approximately \$20.4 million and \$10.3 billion).												
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	0.28	U.S. Stocks	98.44	Total Inv Exp Net %				1/30 day period				
Non-U.S. Stocks	1.28			Contractual Cap Expiration Date				02/28/2018				
				Waiver Expiration Date				02/28/2018				
				Total Inv Exp Gross %				1.11				
				Total Inv Exp Gross Per \$1,000 Invested				\$11.10				
				Redemption Fee				-				

<b>Asset Class: Small/Mid U.S. Equity</b>												
This asset class is generally composed of investment options that invest in stocks, or shares of ownership in small- to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.												
Investment Category: Real Estate												
Inv Manager or Sub-Advisor : Nuveen Asset Management												
Investment Option Name	Average Annual Total Return											
Nuveen Real Estate Securities I Fund <sup>5,F</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	0.45	2.39	9.66	9.55	5.61	11.85	6.79	11.71	5.87	11.97	6/1995	
<b>Benchmark:</b> Standard & Poor's United States REIT Index	0.58	2.64	9.85	9.72	4.59	-	8.49	11.85	4.89	-	-	
<b>Description:</b> The investment seeks to provide above average current income and long-term capital appreciation. The fund normally invests at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes in income-producing common stocks of publicly traded companies engaged in the real estate industry. The advisor expects to emphasize investments in equity REITs, although it may invest in all three kinds of REITs. It may invest up to 15% of its total assets in non-dollar denominated equity securities of non-U.S. issuers. Up to 15% of the fund's total assets may be invested in equity securities of emerging market issuers.												
Composition (% of Assets) as of 01/31/2017				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.09	U.S. Stocks	97.40	Total Inv Exp Net %			1.05			2/60 day period		
Non-U.S. Stocks	0.40	Other	0.11	Contractual Cap Expiration Date			N/A					
				Waiver Expiration Date			N/A					
				Total Inv Exp Gross %			1.05					
				Total Inv Exp Gross Per \$1,000 Invested			\$10.50					
				Redemption Fee			-					
<b>Asset Class: International Equity</b>												
This asset class is composed of investment options that invest in stocks, or shares of ownership in companies with their principal place of business or office outside the United States. These investment options often carry more risk than U.S. equity investment options but may have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.												
Investment Category: Foreign Large Blend												
Inv Manager or Sub-Advisor : MFS Investment Management												
Investment Option Name	Average Annual Total Return											
MFS International Diversification R4 Fund <sup>G</sup>	<i>(as of 03/31/2017 quarter end)</i>						<i>(as of 12/31/2016 year end)</i>					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	8.02	10.41	2.23	5.69	3.04	6.23	2.47	6.49	2.55	5.67	4/2005	
<b>Benchmark:</b> MSCI ACWI Ex USA Index	7.86	13.13	0.56	4.36	1.35	-	4.50	5.00	0.96	-	-	
<b>Description:</b> The investment seeks capital appreciation. The fund is designed to provide diversification within the international asset class by investing the majority of its assets in other mutual funds advised by the adviser, referred to as underlying funds. The adviser seeks to diversify the fund's investments in terms of market capitalization (by including large, mid, and/or small cap underlying funds), by style (by including both growth and value underlying funds), and by geographic region (by including developed and emerging market underlying funds).												
Composition (% of Assets) as of 02/28/2017				Fees & Expenses				# of Transfers Allowed/Time Period				
Cash	2.45	U.S. Stocks	5.77	Total Inv Exp Net %			0.93			2/calendar quarter		
Non-U.S. Stocks	91.78			Contractual Cap Expiration Date			N/A					
				Waiver Expiration Date			09/30/2017					
				Total Inv Exp Gross %			0.96					
				Total Inv Exp Gross Per \$1,000 Invested			\$9.60					
				Redemption Fee			-					

**Asset Class: Short-Term Fixed Income**

This asset class is generally composed of short-term, fixed-income investment options that are largely liquid and are designed to not lose much value. These investment options may include stable value, money market, short-term bond, and guaranteed interest accounts. They are considered to be among the least risky forms of investment options. However, they typically have a lower rate of return than equities or longer-term fixed income investment options over long periods of time. Depending on the objectives of the investment options, they may experience price fluctuations and may lose value.

Investment Option Name: Fixed Income Guaranteed Option <sup>8,14</sup>

**Description:**

This group annuity contract provides an interest rate guaranteed for a set period of time by the Principal Life Insurance Company. It is supported by the multi-billion dollar general account of Principal Life, which invests in private market bonds, commercial mortgages and mortgage-backed securities. However, money you allocate to this investment does not entitle you to participate in the investment experience or performance of the General Account. The rate credited to participant accounts is a composite weighted average of underlying guarantees provided in the contract. Each underlying guarantee is in effect for its full maturity. The maturity of each guarantee varies from 2 to 10 years at the establishment of the guarantee. Each guarantee matures at a different time. The term shown in the Term column represents the average maturity of the underlying guarantees. The composite rate (crediting rate) is reset every 6 months based on the changing weighted average of the underlying guarantees and applies prospectively (moving forward). The crediting rate is an effective annual rate and is displayed here as the rate guaranteed by Principal Life net of the Rate Level Service Fee. The crediting rate is subject to a minimum guaranteed rate that is determined through a formula determined according to state insurance regulations which utilizes Treasury rates and is outlined in the group annuity contract. The minimum will range between 1% and 3% depending on prevailing market conditions. The contract provides for benefit payments at book value (i.e., no market value adjustments or surrender charge adjustments) for withdrawals due to retirement, termination of employment, disability, loans, plan termination, or death, including participant-directed transfers. If the retirement program provides you access to the Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will generally be subject to an Equity Wash. 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 other Competing Plan Investment Option. Competing Plan Investment Options include other guaranteed investment options or fixed income, money market or bond funds that ever had an average duration of three years or less. A plan fiduciary-directed surrender or transfer will be subject to 12 months' advance notice or a 5% surrender charge (subject to additional contractual limitations), whichever the plan sponsor chooses. For more information, call the automated phone system at 1-800-547-7754 or see the applicable fact sheet on principal.com for a more complete description of this investment option and the crediting rate.

**Rate Level Service Fee:** 0.45

Crediting Rate (credited to participants)	Crediting Period	Term (underlying guarantees)
1.30	12/01/2016-05/31/2017	9.10 years

**Investors should carefully consider a mutual fund's investment objectives, risks, charges, and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting principal.com, or calling 1-800-547-7754. Read the prospectus carefully before investing.**

**The value of the investment options will fluctuate so that when redeemed, shares or units may be worth more or less than the original cost.**

An investment's past performance is not necessarily an indication of how the investment will perform in the future.

*Since inception benchmark returns are displayed on the Investment Option Summary for investments that are less than 10 years old. The benchmark reflecting the Since Inception return is the Morningstar Category index. For some Sub-Advised investment options, two benchmarks will be displayed on the Investment Option Summary and the secondary index reflecting the Since Inception Return is the Morningstar Category index.*

<sup>B</sup> Principal Funds mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Certain investment options may not be available in all states or U.S. commonwealths.

Returns shown for periods of less than one year are not annualized. All returns displayed here are after net Total Investment Expense of the investment option.

For a Mutual Fund investment option, Total Investment Expense gross equals the sum of (a) the total fund operating expenses plus (b) if the mutual fund invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual Total Investment Expense may change if the mutual fund investment option's allocation of assets to other mutual funds changes.

© 2016 Morningstar, Inc. All Rights Reserved. Part of the mutual fund data contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities are offered through Principal Securities, Inc., 1-800-547-7754, member SIPC and/or independent broker/dealers. Securities sold by a Principal Securities, Inc. Registered Representative are offered through Principal Securities, Inc. Principal Funds Distributor, Principal Securities, Inc. and Principal Life are members of the Principal Financial Group® (The Principal®), Des Moines, IA 50392.

As allowed by their prospectuses several mutual fund companies have decided to impose redemption fees and/or transfer restrictions on certain plan and/or participant transactions. One or more of the investment options in your employer's retirement plan may be impacted. For more information, visit The Principal Web site at [principal.com](http://principal.com).

Any operating expenses of a mutual fund or underlying mutual fund that are part of net Total Investment Expense are obtained from the mutual fund's most recent prospectus. The operating expenses shown as part of net Total Investment Expense include voluntary expense limits and fee credit.

This report includes investment options that contain information from a variety of sources. Morningstar generally provides holdings information, operations data, and rankings or statistics proprietary to Morningstar. Morningstar is also the source of information on certain mutual funds.

These results are for the investment options available through your Plan Sponsor's retirement plan, and may be different from the results for other retirement plans. Past performance is not a guarantee of future results. Principal values and investment returns will fluctuate so that values upon redemption may be worth more or less than original costs. Total returns illustrated are net of investment expenses and management fees.

Since inception returns are only shown for funds/accounts in existence for less than 10 years.

- <sup>1</sup> 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.
- <sup>2</sup> Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.
- <sup>3</sup> International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.
- <sup>4</sup> High yield investment options are subject to greater credit risk and volatility that is associated with high yield bonds.
- <sup>5</sup> Real Estate investment options are subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Property values can decline due to environmental and other reasons. In addition, fluctuation in interest rates can negatively impact the performance of real estate investment options.
- <sup>6</sup> This investment option is closed to new investors.
- <sup>7</sup> 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.
- <sup>8</sup> 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. May not be available in all states.
- <sup>9</sup> 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.
- <sup>10</sup> 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.
- <sup>11</sup> Small-cap and mid-cap stocks may have additional risks, including greater price volatility.
- <sup>12</sup> Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.
- <sup>14</sup> The Fixed Income Guaranteed Option is a guarantee backed by the general account of Principal Life Insurance Company(Principal Life). As a guarantee, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The Rate Level Service 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 in the Service and Expense Agreement for the plan.
- <sup>15</sup> This fund indirectly bears its pro rata share of the management fees incurred by the underlying funds in which it invests. The operating expenses of the underlying mutual funds are part of total investment expense. Performance results reflect the application of these expenses.
- <sup>20</sup> Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.
- <sup>21</sup> The manager of the Fund, Principal Management Corporation, invests between 10% and 40% of the Fund's assets in common stocks in an attempt to match or exceed the performance of the Fund's benchmark index for performance.
- <sup>22</sup> For Mutual Fund Network investment options, returns for all time periods, except the Since Inception time frame, may include 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. Since Inception returns display the actual return of this share class and do not reflect the adjusted returns of the oldest share class. 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.
- <sup>23</sup> Effective January 13, 2014, this portfolio is sub-advised by Baird and William Baird and William Blair. Prior to January 13, 2014, this portfolio was sub-advised by Turner and Jacobs Levy. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

- <sup>24</sup> Effective September 30, 2016, this portfolio is sub-advised by AB LP, Brown Advisory and Emerald Advisors, Inc. Prior to September 30, 2016, the portfolio was sub-advised by AB LP, Brown Advisory, Emerald Advisors, Inc. and Columbus Circle Investors. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
- <sup>E</sup> Investment option limits the number of transfers allowed into the investment option. All participant investment transfers and non-scheduled rebalancing activity are counted toward the number of transfers allowed. When the number of allowed transfers into the investment option is met, no additional investment transfers into the investment option will be allowed until the holding period elapses. Contributions into the investment option are not impacted.
- <sup>F</sup> Investment option limits transfer activity. Once the number of allowed transfers is met, participants are not allowed to transfer back into an investment option which they have transferred out of until the holding period elapses. All participant investment transfers and non-scheduled rebalancing activity are counted toward the number of transfers allowed. Contributions into the investment option are not impacted. Participants may still transfer out to different investment options or to money market or Guaranteed options.
- <sup>G</sup> Investment option limits transfer activity. Once the number of allowed transfers is met, participants are not allowed to transfer amounts valued at the threshold amount or more back into the investment option which they have transferred out of until the holding period elapses. All participant investment transfers and non-scheduled rebalancing activity valued at the threshold amount or more are counted toward the number of transfers allowed. Contributions into the investment option are not impacted. Participant transfers made for less than the threshold amount do not count and are not limited.

### Benchmark Descriptions

Morningstar Lifetime Moderate 2035 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 25 years away from retirement.

Morningstar Lifetime Moderate 2030 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 20 years away from retirement.

Morningstar Lifetime Moderate 2025 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 15 years away from retirement.

Russell 1000 Index consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose.

Morningstar Lifetime Moderate 2020 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about ten years away from retirement.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Morningstar Lifetime Moderate 2010 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is near retirement.

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.

Merrill Lynch U.S. High Yield Master II Index measures the performance of high yield bonds.

Morningstar Lifetime Moderate 2015 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about five years away from retirement.

Morningstar Moderately Conservative Target Risk Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in a static allocation appropriate for U.S. investors who seek a slightly below-average exposure to equity market risk and returns.

Morningstar Lifetime Moderate 2050 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 40 years away from retirement.

Morningstar Lifetime Moderate 2045 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 35 years away from retirement.

Morningstar Lifetime Moderate 2040 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 30 years away from retirement.

MSCI ACWI Ex USA Index is a free float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the US.

Bloomberg Barclays Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Russell Midcap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

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

Russell Midcap Value Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap index having lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 10% of the Russell 3000 total market capitalization.

**Am I eligible for NORTHERN CALIFORNIA INSTITUTE FOR RESEARCH AND EDUCATION 403(B) SAVINGS PLAN?**

You are eligible to join the plan once you become an employee of Northern California Institute for Research and Education.

You enter the plan at any time.

**From where do my contributions come from?**

Contributions in general are from total pay from Northern California Institute for Research and Education including salary deferral contributions.

Your benefits representative can provide more detailed information.

**Are there limits to my contributions?**

You may choose to contribute up to 100% of your total pay.

Your taxable income is reduced by the amount you contribute pre-tax through salary deferral. This lets you reduce your taxable income. Your total salary deferral in 2017 may not be more than \$18,000.00.

Your maximum contribution percentage and/or dollar amount may also be limited by Internal Revenue Service regulations.

If you have met the annual IRS deferral limit (or the specified plan limit for deferrals) and are 50 years or older, or have met special service requirements, you may be eligible to contribute a catch-up deferral. If you qualify and are interested in making catch-up contributions, please contact your plan administrator for more details.

**Can I make after-tax, Roth salary deferral contributions?**

Roth salary deferral contributions are another option to designate your salary deferral contributions.

Roth salary deferral contributions are made on an after-tax basis. You may designate any amount of the available salary deferral limit for a plan calendar year as Roth salary deferral contributions.

Roth salary deferral contributions plus your pre-tax salary deferral contributions are counted toward the annual salary deferral contribution amount and salary deferral contribution percentage mentioned above.

Distributions from your Roth salary deferral contribution account will generally be tax-free if the distribution meets the qualified distribution requirements, death or disability and you have maintained the Roth salary deferral account for at least 5 taxable years.

## **Can I change my contributions to my employer's retirement plan?**

You may stop making salary deferral contributions at any time. You may change your salary deferral amount daily. Changes will be implemented as soon as administratively feasible.

## **I have a retirement account with a previous employer. Can I combine the two?**

You may be allowed to roll over into this plan all or a portion of the retirement funds you have outside this plan. You may then withdraw all or a portion of your rollover contributions. The number of withdrawals may be limited. Refer to your Summary Plan Description for more details.

To receive additional information, contact your Plan Administrator, visit us at [principal.com](http://principal.com) or call 1-800-547-7754.

## **When am I vested in the retirement plan funds?**

You are always 100% vested in the contributions YOU choose to defer. You cannot forfeit these contributions.

## **Investment options**

You are able to direct the investment of the retirement account balance by choosing among several investment options.

In order for you to make informed investment decisions, it is important that you read the investment material (including prospectuses if applicable) available from your plan sponsor.

You may also obtain this information by calling The Principal® at 1-800-547-7754.

You may elect the investment direction of all contributions to the retirement plan. Please see the Summary Plan Description for details.

For detailed information about your investment options, please visit us at [principal.com](http://principal.com) or contact The Principal® at 1-800-547-7754.

## **How often can I make changes to the investment options in the retirement plan?**

- anytime

Note that when transferring existing balances from one investment option to another, redemption fees or restrictions on transfer frequency may apply. Refer to the redemption fee and transfer restriction policy at [principal.com](http://principal.com) or contact your plan administrator.

Changes can be made through our automated system at 1-800-547-7754 or at [principal.com](http://principal.com).

## **How can I access my account information?**

You may obtain account information through:

- Participant statement (quarterly)
- Call our automated phone system at 1-800-547-7754.
- Visit [principal.com](http://principal.com) to access the account.

**How are the fees for the retirement plan paid?**

Plan administrative expenses are deducted from each participant account.

**When can I begin receiving benefits from the retirement plan?**

Benefits are payable at:

- Retirement (age 62)
- Age 59-1/2 and still working
- Death
- Disability\*
- Termination of employment

Please refer to the participant notice or Summary Plan Description provided to you by your plan sponsor about withdrawal benefits.

\*You must have ceased employment to receive this benefit.

**Financial hardship**

You may withdraw all or part of your salary deferral contributions if you can prove financial hardship and are unable to meet your financial needs another way. If allowed to withdraw salary deferral contributions, withdrawal will not include earnings. Employer contributions may be available for the hardship withdrawal, please see your Summary Plan Description for more details.

The plan defines hardship as an "immediate and heavy financial need" along with establishing the allowable reasons to receive such a withdrawal. Please see your Summary Plan Description for more details regarding hardship withdrawals.

Salary deferral contributions will generally be suspended for six months after your withdrawal.

**If I need to take a loan from the plan, what are the guidelines?**

You may borrow up to 50% of the vested account balance or \$50,000.00 (whichever is less). Amount available is reduced by an outstanding balance or by the highest outstanding balance in the past 12 months. This includes all loans (new loans taken in the past 12 months, loans paid off in the last 12 months, and all defaulted loan balances, no matter how old the loan).

The minimum loan amount is \$1,000.00.

Up to 3 loan(s) can be approved in a 12-month period. You may have 1 loan(s) outstanding at any time.

The interest rate will be determined when you apply for your loan. You pay back both the principal and interest directly to the account held for you in the plan through payroll deduction.

Loans must be repaid within a 5-year period. However, if the loan is for the purchase of your primary residence, the repayment period can be up to 15-year(s). See your loan administrator for additional details.

Refer to your Summary Plan Description for more details on contributions available for a plan loan.

## Other Information

Your salary deferral contributions are included in the wages used to determine your Social Security tax.

This plan summary includes a brief description of your employer's retirement plan features. While this plan summary outlines many of the major provisions of your employer's retirement plan, this summary does not provide you with every plan detail. The legal plan document, which governs this plan, provides full details. If there are any discrepancies between this plan summary and the legal plan document, the legal plan document will govern.

From time to time, your employer may elect to amend the retirement plan provisions. This plan summary may be updated to reflect proposed amendments to the plan document provisions. Until a plan amendment is adopted, however, the legal plan document will govern. Contact your plan sponsor if you would like more details regarding applicable retirement plan provisions.

Most withdrawals/distributions are subject to taxation and required withholding. Check with your financial/tax advisor on how this may affect you.

The Principal® is required by the IRS to withhold 20% of the portion of a distribution that is eligible for rollover if it is not directly rolled over to another eligible retirement plan, including an IRA, or used to purchase an annuity to be paid over a minimum period of the lesser of 10 years or the participant's life expectancy. This withholding will offset a portion of federal income taxes you owe on the distribution.

The retirement account may be affected differently by individual state taxation rules. Contact your tax advisor with questions.

If you have questions about the retirement plan call 1-800-547-7754 Monday through Friday, 7 a.m. - 9 p.m. (Central time), to speak to a retirement specialist at The Principal®.

To learn more about The Principal®, visit [principal.com](http://principal.com).

Insurance products and plan administrative services are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®), Des Moines, IA 50392.

## RETIREMENT SAVINGS WORKSHEET

Here's a quick and easy way to figure out a percentage of your pay you may need to save in order to generate 85 percent of your pre-retirement income at retirement. Grab a calculator to help with the math.

### STEPS

- 1. Current annual gross income:**  
 Enter your current annual gross income. \$ \_\_\_\_\_
- 2. Annual Income before retirement:**  
 Multiply STEP 1 times the Salary Increase Factor from **TABLE A** that most closely matches the number of years until you retire. \$ \_\_\_\_\_
- 3. Income needed during retirement:**  
 Depending on your retirement goals, you may need 85-100 percent of your current income. Multiply STEP 2 by that percentage (for example, .85) to estimate annual retirement income. \$ \_\_\_\_\_
- 4 A. Percentage of Income replaced by Social Security at age 65:** Enter the percentage from **TABLE B** that most closely corresponds to your current income from STEP 1. \$ \_\_\_\_\_
 

**B. Social Security Income:** Multiply STEP 2 by STEP 4a. \$ \_\_\_\_\_

**C. Defined Benefit Estimate:** If you participate in a Defined Benefit (DB) Plan, enter your estimated future annual DB benefit, otherwise enter 0. \$ \_\_\_\_\_

**D. Other Sources of Retirement Income:** Add STEP 4b and STEP 4c. \$ \_\_\_\_\_
- 5. Future retirement income:**  
 STEP 3 minus STEP 4d. \$ \_\_\_\_\_
- 6. Retirement goal\*:**  
 Multiply STEP 5 by **22.50**, and enter the result.  
\*Assumes a 4.5% withdrawal rate adjusted annually for inflation in retirement. \$ \_\_\_\_\_
- 7. Current portfolio:**  
 Enter the total amount of current retirement investments, including savings in the retirement plan. \$ \_\_\_\_\_
- 8. Value of current investments at retirement:**  
 Multiply STEP 7 by the **growth factor** from **TABLE C** that corresponds most closely to the number of years until you retire, and enter the result. \$ \_\_\_\_\_
- 9. Retirement savings shortfall:**  
 Subtract STEP 8 from STEP 6 to get how much you still need to accumulate before you retire, and enter the result. \$ \_\_\_\_\_
- 10. Annual savings goal:**  
 Multiply STEP 9 by the **accumulation factor** from **TABLE C** that most closely matches the number of years until you retire, and enter the result. \$ \_\_\_\_\_
- 11. Percentage of your pay you need to save:**  
 Divide STEP 10 by STEP 1, and multiply by 100 (e.g. 0.119 x 100 = 12%) to get the total percentage (including employer match, if applicable) to help reach a retirement savings goal of 85 percent of your pre-retirement income at retirement. \_\_\_\_\_ %

**TABLE A\*\***

#### INFLATION FACTOR

Years to Retirement	Inflation Factor
5	1.19
10	1.41
15	1.68
20	1.99
25	2.36
30	2.81
35	3.33
40	3.96

**TABLE B**

#### SOCIAL SECURITY BENEFITS

Current Annual Gross Income	Portion of Income Replaced by Social Security at age 65
\$25,000	0.52
\$30,000	0.48
\$40,000	0.45
\$50,000	0.43
\$60,000	0.39
\$80,000	0.33
\$100,000	0.29

This table assumes your salary and the Social Security National Average Wage Increases 3.5 percent annually as well as a 2.5 percent increase in the Social Security CPI. Salary is assumed to be earned during 2014. Benefits are reduced for commencement at age 65.

**TABLE C\*\***

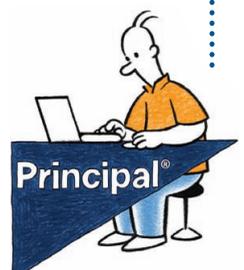
#### ACCUMULATION FACTOR

Years to Retirement	Growth Factor	Accumulation Factor
5	1.403	.157
10	1.967	.061
15	2.759	.031
20	3.870	.018
25	5.427	.011
30	7.612	.007
35	10.677	.005
40	14.974	.003

\*\*Table A: Assumes annual inflation of 3.5%; Table C: Growth factor - assumes an 7% annual rate of return on current investments before retirement; Accum. Factor - assumes the amount you invest each year before retirement occurs mid-year at an 7% annual rate of return. Assumes annual inflation of 3.5% before retirement.

**This worksheet is for illustrative purposes only. It is hypothetical and does not guarantee any specific returns on any investment options.**

NOTES





## Let us help you.

Once you've enrolled in your employer's retirement savings plan, see how you can benefit from all The Principal retirement tools, resources and services.

### Simplify your life

Do you have funds in more than one retirement savings account? Or have you recently changed jobs and aren't sure of your options? Cut through the confusion of multiple accounts and piles of paperwork. Ask our retirement specialists at 1-800-547-7754 how you can save time and potentially money by consolidating qualified retirement funds into one account.

### Comprehensive account statements

You'll receive periodic statements of the retirement account, providing you with a clear snapshot of the account balance, account activity and investment option performance. They make it easier for you to monitor the account contributions and help you make sure you are on track to meet your future

retirement savings goals. Past retirement plan statements are available online at [principal.com](http://principal.com) for 18 months.

### Inspiration and tools

At The Principal, we're dedicated to keeping you up-to-date on the information you need to help plan a more secure financial future. We can help you stay on top of the latest retirement planning news and keep you up-to-date on a broad range of personal financial topics. Visit [principal.com/planningcenter](http://principal.com/planningcenter) to get started.

#### CONNECT WITH US:



Facebook: [facebook.com/PrincipalFinancial](https://facebook.com/PrincipalFinancial)

Twitter: [twitter.com/ThePrincipal](https://twitter.com/ThePrincipal)



YouTube: [youtube.com/PrincipalFinancial](https://youtube.com/PrincipalFinancial)

Principal® Mobile: [principal.com/mobile](http://principal.com/mobile)



## 24-HOUR ACCOUNT ACCESS

Get instant access to retirement savings account information 24 hours a day by setting up a secure password or personal identification number online, or via our automated phone system.

### ONLINE

- Visit **principal.com**.
- Under **LOGIN**, select **PERSONAL** as the login type.
- Click the **REGISTER NOW** link and follow the instructions.
- Log in with your new username and password.
- For help getting logged in, visit [principal.com/loginhelp](http://principal.com/loginhelp).
- Once logged in, you'll find all of this and more:

#### Account Information

Personalized rate of return, balances, contribution information

#### Investments

Investment performance, asset mix, investor profiles, Investor Profile Quiz

#### Historical Information

Activity summary, transactions, statements, electronic history

#### Planning Center

Retirement planning with investing basics, saving, budgeting, online seminars

### BY PHONE

- Call our automated phone system at **1-800-547-7754**.
- Enter your **SOCIAL SECURITY NUMBER**.
- Listen to the menu, and select an option.
- If prompted, enter/establish your PIN.
- Follow the prompts to:
  - ✓ Access daily account values
  - ✓ Obtain investment performance information
  - ✓ Transfer retirement funds between available investment options
  - ✓ Make changes to investments or your PIN
  - ✓ Review the status of a pending or completed distribution
  - ✓ Access information on changing jobs or retiring and other retirement savings options





WE'LL GIVE YOU AN EDGE®

The Principal Financial Group®, Des Moines, Iowa 50392-0001, [principal.com](http://principal.com)

While this communication may be used to promote or market a transaction or an idea that is discussed in the publication, it is intended to provide general information about the subject matter covered and is provided with the understanding that none of the member companies of the Principal Financial Group® are rendering legal, accounting, or tax advice. It is not a marketed opinion and may not be used to avoid penalties under the Internal Revenue Code. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

Insurance products and plan administrative services are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®), Des Moines, IA 50392.

This workbook content is current as of the production date noted below. If there are any discrepancies between this information and the legal plan document, the legal plan document will govern. If the production date is older than three months or past an investment performance end, you should contact your plan sponsor or log in to [principal.com](http://principal.com) for current retirement plan and investment option information. The member companies of the Principal Financial Group® prohibit the manipulation of this workbook content. If your plan sponsor elects to provide this workbook electronically, The Principal® is not responsible for any unauthorized changes.

04/17/2017