Principal

Principal Variable Contracts (PVC)

U.S. LargeCap Buffer Series

Add some protection to your retirement income savings

While still investing for growth

The PVC U.S. LargeCap Buffer Series allows you to participate in the market, protect yourself from some investment loss, and plan for a more consistent and stable investment experience. The buffer series includes four different investment accounts designed to achieve a defined investment outcome. They're available in our variable annuity products.

How does the PVC U.S. LargeCap Buffer Series work?

These defined outcome accounts are based on the performance of the S&P 500 Price Return Index.

Returns on the buffer fund are not guaranteed, and defined outcomes apply only if you invest at the beginning of the outcome period and hold shares until the end of the outcome period. The buffer and cap features are applied before fees and expenses of the fund and will be reduced by such fees and expenses.

1 YEAR

The defined outcome period is set for one year. Your investment will automatically roll over into the next year unless you chose to allocate elsewhere.

10% DOWNSIDE BUFFER

The downside buffer is designed to protect you from the first 10% of any market losses.

UNCAPPED MARKET PARTICIPATION

You'll get the first 10% of market gains. And unlike many buffer products, we allow partial participation in the market above 10%—so you'll continue to benefit from investment growth in positive markets.

Buffer Series accounts not available in New York and may not be available with all broker dealers.

The PVC U.S. LargeCap Buffer series consists of four different investment accounts.

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Each account is scheduled to begin the first day of each quarter.

About variable annuities

A variable annuity is a long-term investment product that offers tax-deferred growth, a variety of investment options, and a lifetime income stream. The value will fluctuate with the market. It is subject to investment risk and the possible loss of principal. It has fees and expenses and all guarantees, including optional features, are subject to the claims-paying ability of the issuing insurance company.

Defined outcomes for different market scenarios

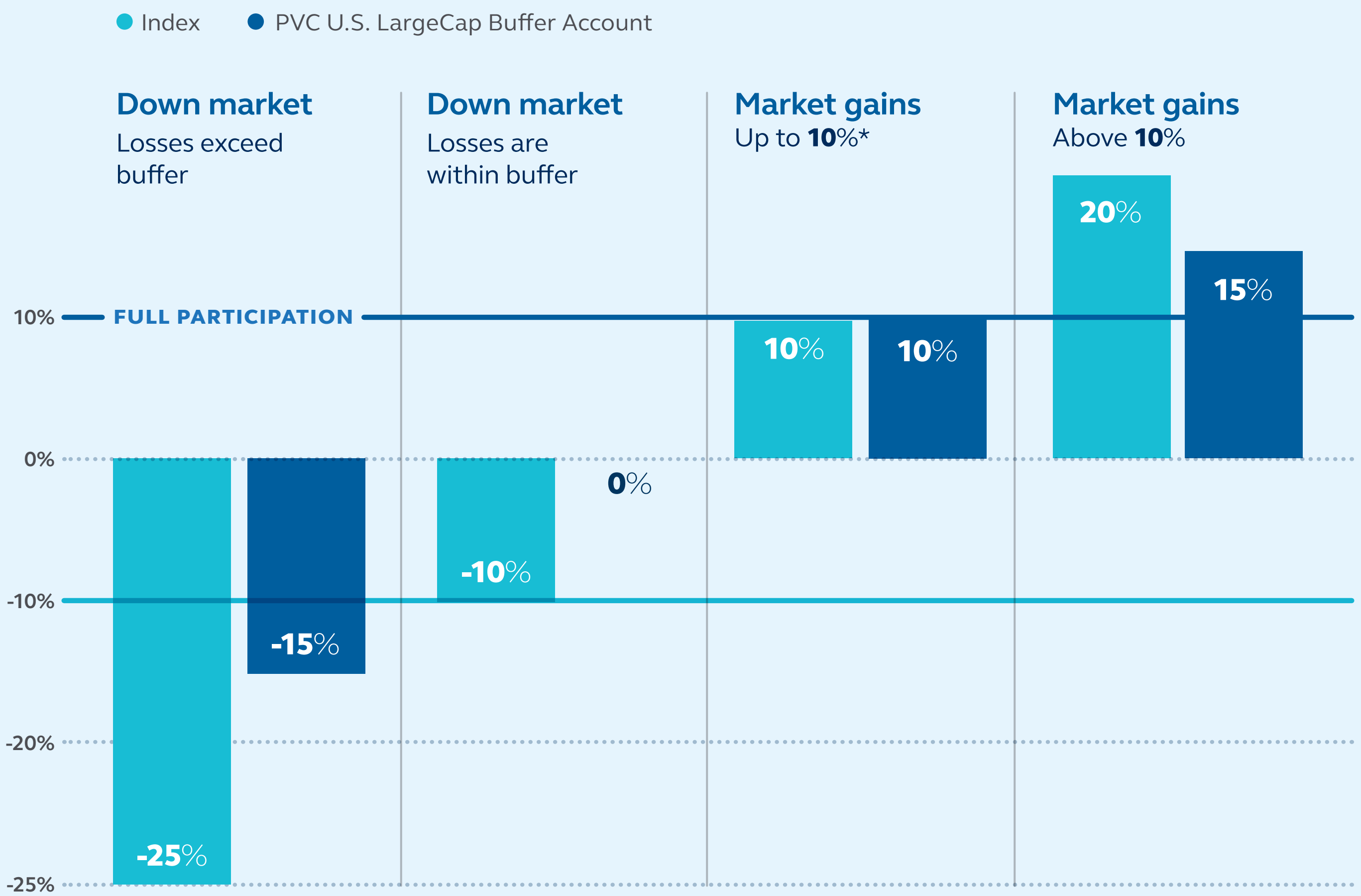
Our buffer series accounts are designed to provide a 10% downside buffer and full participation in the first 10% of market gains. Gains above 10% will be determined by the participation rate set at the beginning of the outcome period.

Participation in gains over 10%:

Participation rate is set on the first day of outcome period.

May change from one outcome period to the next.

Buffer and participation rates apply if investment is held from the beginning of the outcome period until the end of the outcome period.



This example is hypothetical and for illustrative purposes only. It shows expected outcomes based on the performance of the index. We did not include fees in this example which would have reduced actual returns. Returns on these subaccounts are not guaranteed, and defined outcomes apply only if you invest at the beginning of the outcome period and hold shares until the end of the outcome period. If you invest after the outcome period begins, or sell before the end of the outcome period, you will experience different outcomes than shown here. Results are not guaranteed.

* This scenario shows the partial participation rate as 50% for gains over 10 percent. Actual participation rates will vary and are set at the beginning of the outcome period.

What if you don't invest on the first day of the outcome period?

The defined outcomes of these accounts are set for the first day of the outcome period to the last day (one year).

If you invest after the start date or move money out early, you will have a different investment outcome than that defined for the account. You won't receive protection against losses from the buffer amount if you withdraw your investment before the last day of the outcome period, and might lose some or all of your investment.

Let's take a closer look at how this works.

A Invests for full outcome period

Investor puts money in at beginning of outcome period and keeps it invested the full year.

10% downside buffer

10% full market participation

Partial market participation above 10%

B Invests when account has gains

The account is up 4%. When it goes down the investor takes that 4% loss before buffer kicks in.

4% downside before access to buffer

10% downside buffer

6% remaining full market participation

Partial participation on gains above 6% from date of purchase

C Invests when account has losses

The account is down 6%. This gives the investor an opportunity for more growth, but less buffer in a down market.

4% remaining downside buffer

16% full market participation

Partial participation on gains above 16% from date of purchase

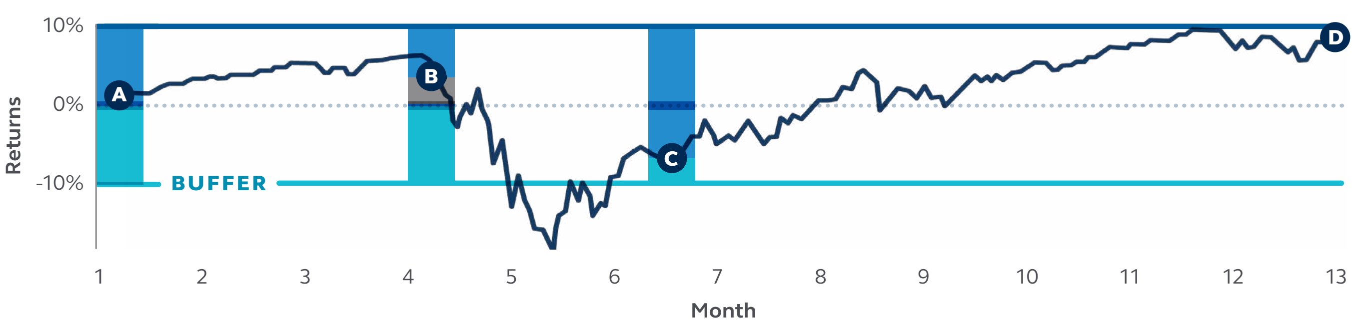
D Automatically rollover and reset

All three investors automatically roll over into the new outcome period and reset their buffer and participation rate.

Index return

10% full market participation

Downside buffer



This example is hypothetical and for illustrative purposes only to show conceptually how the experience varies depending on the time the investment is started. It shows expected outcomes based on the performance of the index. We did not include fees in this example which would have reduced actual returns. Returns on these subaccounts are not guaranteed, and defined outcomes apply only if you invest at the beginning of the outcome period and hold shares until the end of the outcome period. If you invest after the outcome period begins, or sell before the end of the outcome period, you will experience different outcomes than shown here. For current rates please visit principal.com/buffer.

There is no guarantee the investment strategy will achieve the defined outcome described.

Why seek a buffer strategy?

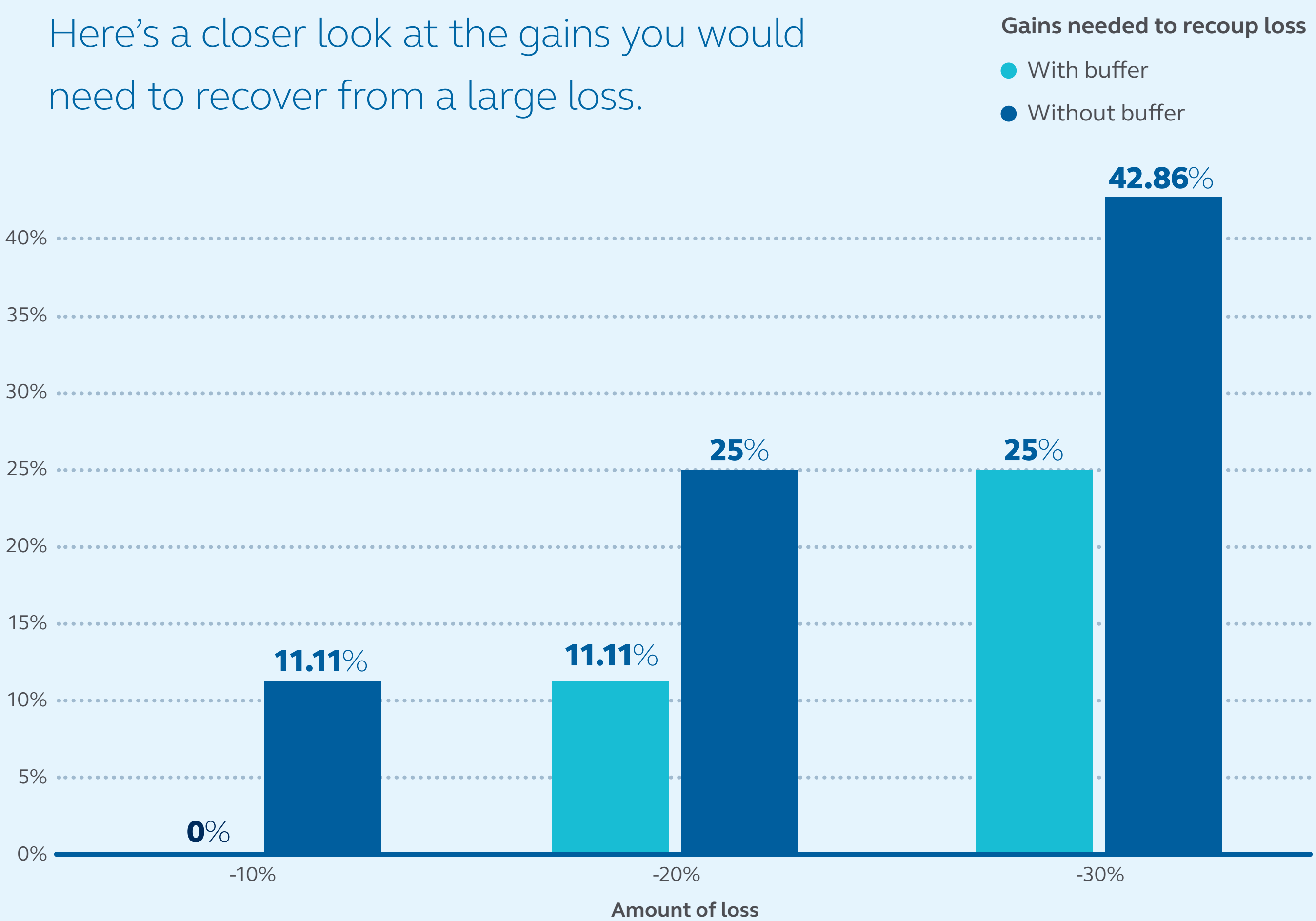
A buffer can help limit the amount of your investment loss if the market performs poorly.

Protecting yourself from the first 10% of losses can have a big impact on account values over time. Because the more you lose, the greater your gain has to be to get back to where you started.

You can move your money in or out of the buffer accounts at any time. If you move the investments into another subaccount within the variable annuity, there are no additional product fees or taxes. However, doing so will affect the expected outcome.

See principal.com/buffer for daily outcome values.

Here's a closer look at the gains you would need to recover from a large loss.



For illustrative purposes only.

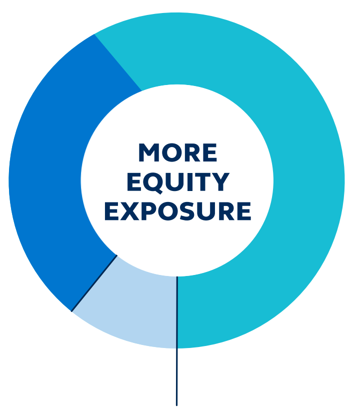
How does this fit into your financial portfolio?

Principal PVC U.S. LargeCap Buffer Series works in combination with both equity and fixed income holdings to reinforce your investment goals and your tolerance for risk.

Using a buffer investment within your variable annuity can diversify your overall asset allocation strategy. Instead of leaving money in allocations that could be earning lower interest rates, you could consider moving a portion of your fixed income allocation into a buffer account, participate in market growth, and still protect yourself from some market losses.

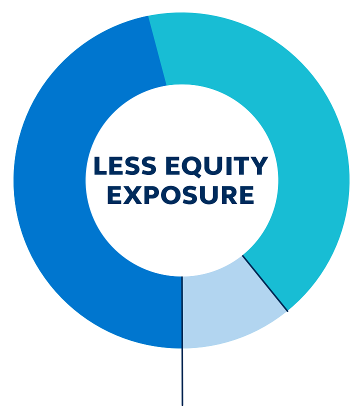
- Fixed-Income
- Equity
- Buffer

Asset allocation and diversification do not ensure a profit or protect against a loss.



Move a portion of your fixed income into a buffer account, giving you more exposure to the market and the potential for more gain.

or



Diversify your equity exposure with a buffer strategy. You'll still be invested in the market but with some loss protection

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Guarantees are based on the claims-paying ability of the issuing insurance company.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not obligations of, nor backed by, the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Before investing, carefully consider the investment option objectives, risks, charges, and expenses. Contact a financial professional or visit principal.com for a prospectus or, if available, a summary prospectus containing this and other information. Please read carefully before investing.

IMPORTANT RISK INFORMATION

The buffer funds have characteristics unlike many other traditional investment products and may not be suitable for all investors.

These strategies could limit the upside participation of the buffer fund in rising equity markets relative to other funds.

The buffer provides limited protection in the event of a market downturn; the buffer fund does not provide principal protection, and an investment may experience significant losses on its investment, including the loss of its entire investment.

The buffer Fund may invest in FLEX Options, which are associated with additional risks.

Due to the cost of the options used by the Fund, the correlation of the Fund's performance to that of the Index is expected to be less than if the Fund invested directly in the Index without using options, and could be substantially less.

Variable annuities are long-term investment products designed for retirement purposes and are subject to market fluctuation, investment risk, and possible loss of principal. Variable annuities contain both investment and insurance components and have fees and charges, including mortality and expense, administration, and investment option fees. An annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals of earnings are taxable as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value.

The potential return an investor can receive is subject to the upside cap and the partial participation beyond the cap. If the index grows beyond the cap, the investor will not experience the full gains. The investor will receive a percentage of any gains beyond the cap. This amount, net of fees and expenses, is the maximum return an investor can achieve over its outcome period.

Tax-qualified retirement arrangements, such as IRAs, SEPs, and SIMPLE-IRAs are tax-deferred. You derive no additional benefit from the tax deferral feature of the annuity. Consequently, an annuity should be used to fund an IRA, or other tax qualified retirement arrangement, to benefit from the annuity's features other than tax deferral. These features may include guaranteed lifetime income, guaranteed minimum interest rates, and death benefits without surrender charges.

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May lose value • Not a deposit • No bank or credit union guarantee Not insured by any federal government agency

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