



Principal Variable Universal Life Income IIISM

Fact Sheet

The concept

Principal Variable Universal Life Income III (VUL Income III) provides life insurance benefits and a variety of investment choices. With its focus on income out of the policy, it is a good option to help fund nonqualified plans such as executive bonus, key person and split dollar.

Key product features

- Death Benefit Guarantee rider (to 65, 85 or 100)
- Return of Cost of Insurance (COI) rider
- Surrender Value Enhancement rider (high early cash value)
- Contractual zero net-cost loans after policy year 10
- Life Paid-Up rider (over-loan protection)

Investment advisors

- Alliance Bernstein, L.P.
- American Century Investment Management, Inc.
- Atlanta Capital Management Co., LLC (ACM)
- Brown Investment Advisory, Inc. (B)
- Calvert Investment Management, Inc.
- ClearBridge Advisors, LLC (CB)
- Columbus Circle Investors (CC)
- Delaware Management Co.
- Deutsche Investment Management Americas, Inc. (DIM)
- Dreman Value Management, LLC (D)
- Edge Asset Management, Inc. (EDGE)
- Emerald Advisers, Inc. (Em)
- Essex Investment Management Co. (Es)
- Fidelity Management & Research Co.
- Franklin Advisers, Inc. (FA)
- Franklin Advisory Services, LLC (FAS)
- Franklin Mutual Advisers, LLC (FMA)
- Franklin Templeton Investments (FT)
- Invesco Advisers, Inc.
- Janus Capital Management, LLC
- J.P. Morgan Investment Management, Inc. (JP)
- Mellon Capital Management Corp. (ME)
- Massachusetts Financial Services Investment Management® (MFS)
- Neuberger Berman, LLC
- Oppenheimer Funds, Inc.
- Principal Global Investors, LLC (PGI)
- Principal Real Estate Investors, LLC (PRI)
- Putnam Investment Management, LLC (P)
- Summit Investment Advisors, Inc. (S)
- T. Rowe Price Associates, Inc. (TRP)
- Van Eck Associates Corp.

Investment options

Short-Term Fixed Income

Fixed Account (PGI)
Money Market (PGI)
Short-Term Income (EDGE)

Fixed Income

American Century VP Inflation Protection
Bond & Mortgage Securities (PGI)
Calvert Income
Fidelity VIP High Income
Government & High Quality Bond (EDGE)
Templeton Global Bond Securities (FA)

Balanced/Asset Allocation

LifeTime Strategic Income (PGI)
LifeTime 2010 (PGI)
LifeTime 2020 (PGI)
LifeTime 2030 (PGI)
LifeTime 2040 (PGI)
LifeTime 2050 (PGI)
SAM Balanced Portfolio (EDGE)
SAM Conservative Balanced (EDGE)
SAM Conservative Growth (EDGE)
SAM Flexible Income (EDGE)
SAM Strategic Growth (EDGE)

Large US Equity

American Century VP Income & Growth
American Century VP Value
Calvert SRI Equity (ACM)
Equity Income (EDGE)
Fidelity VIP Contrafund®
Fidelity VIP Equity-Income
Franklin Rising Dividends Securities
Invesco Capital Appreciation
Invesco Core Equity
Janus Aspen Forty
LargeCap Blend II (TRP)

Large US Equity (continued)

LargeCap Growth (CC)
LargeCap Growth I (TRP)
LargeCap S&P 500 Index (PGI)
LargeCap Value (PGI)
Neuberger Berman AMT Partners

Small/Mid US Equity

AllianceBernstein SmallCap Growth
AllianceBernstein Small/MidCap Value
American Century VP MidCap Value
American Century VP Vista
Calvert Russell 2000 SmallCap Index (S)
Calvert S&P MidCap 400 Index (S)
Delaware SmallCap Value
Delaware Smid Cap Growth
DWS Dreman Small MidCap Value (D)
Fidelity VIP MidCap
Franklin Small Cap Value Securities (FAS)
Invesco Mid Cap Core Equity
MFS VIT New Discovery
MidCap Blend (PGI)
Oppenheimer Main Street Small/Mid Cap
Real Estate Securities (PRI)
SmallCap Blend (PGI)
SmallCap Growth II (Em)
SmallCap Value I (JP)

International Equity

AllianceBernstein International Value
Diversified International (PGI)
Franklin Mutual Global Discovery
Securities (FMA)
International Emerging Markets (PGI)

Specialty

Invesco Global Health Care
MFS VIT Utilities
Van Eck Global Hard Assets

Policy basics

Issue Ages – 0–85 (priced age nearest birthday)

Maturity Age – 121 (subject to state variations)

Issue Amounts:

- Minimums – \$100,000
- Maximum – Based on reinsurance and underwriting program maximum limits
- Minimum face increase – \$50,000 (except with automatic increase)

Product features

- When the policy is adequately funded, there is potential for long-term income streams.
- No-lapse guarantees – Options to keep the policy in force during the first 10 policy years or to age 65, 85 or 100 – guaranteed, even if your client experiences losses in policy value.
- Competitive target premiums.
- Decreasing asset-based risk charge – See Principal VUL Income III Charges (BB10616) for more complete information.
- Zero net-cost loans after policy year 10, contractual and guaranteed; all outstanding policy loans automatically convert to zero net-cost after policy year 10.

Sales tools

Asset Allocation Questionnaire (BB10603) – Assists your client in selecting investment options that reflect the client’s investment objectives and risk tolerance.

Model Portfolios – Clients’ answers to the asset allocation questionnaire can result in one of five sample investment portfolios to help suggest how they may want to allocate their premiums.

Principal LifeTime Accounts – These six accounts help take the complexity out of where to invest. Clients can target a year close to retirement and their portfolios are automatically rebalanced as retirement years approach, generally creating less financial risk.

Principal LifeTime Accounts gradually shift the allocation targets to be more conservative as the target date approaches. It is expected that, within 10 to 15 years after the target year, the allocation will match that of the Principal LifeTime Strategic Income Account.¹

Automatic Portfolio Rebalancing (APR) – Allows clients to maintain a specific percentage of their policy values in each investment division over time. Clients may elect APR at the time of application or after the policy has been issued.

¹ Neither the principal nor the underlying assets of the Principal LifeTime Accounts is guaranteed at any time and investment risk remains at all times.

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

Key riders²

Return of Cost of Insurance (COI) rider – When your clients reach the latter part of the 15th policy year or they reach their attained age 60 policy anniversary, we will refund all cost of insurance (COI) charges incurred up to that point. The returned COI charges are added to the policy's cash value over a five-year period. There is no cost for this rider.²

Life Paid-Up rider – Added to all policies in states where approved. Under certain conditions, this rider ensures the policy will not lapse when there is a large loan (or loans) outstanding. Clients must be 75 or older and the policy must be in force for at least 15 years. When this rider is exercised, there is a one-time charge.

Death Benefit Guarantee rider – With the stock market swings, your clients receive the security of continued life insurance coverage through age 65, 85 or 100. The death benefit guarantee premium requirement must be met. There is no charge to purchase this rider; however, sufficient premiums are required to be paid in order for the rider provisions to apply.²

²The policy rider descriptions are not intended to cover all restrictions, charges, conditions or limitations that may apply. See the rider for full details, state variations and availability.



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All guarantees, including the Death Benefit Guarantee rider, are subject to the claims-paying ability of the issuing insurance company. The death benefit guarantee premium requirement will be affected by loans, partial surrenders, face amount adjustments and changes in rider coverage. When your death benefit guarantee period ends, it may be necessary to pay more and higher premiums in order to keep the policy in force.

Some policy provisions and riders are subject to state variation and additional charges. Not all investment advisors or investment divisions are approved in every state.

Insurance is issued by Principal National Life Insurance Company (except in New York). Securities offered through Princor Financial Services Corporation, 800/247-9988, member SIPC, and/or independent broker/dealers. Principal National and Princor® are members of the Principal Financial Group®, Des Moines, IA 50392.

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