



**LOUISIANA LOTTERY CORPORATION**  
**BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE PLAN YEAR ENDED DECEMBER 31, 2023**

**LOUISIANA LOTTERY CORPORATION**  
**BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE PLAN YEAR ENDED DECEMBER 31, 2023**

**PREPARED BY ACCOUNTING DEPARTMENT**  
**KAREN B. FOURNET**  
**SENIOR VICE PRESIDENT**  
**SECRETARY TREASURER**

**LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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June 24, 2024

Retirement Plans' Members  
Board of Directors, Louisiana Lottery Corporation  
Rose J. Hudson, President, Louisiana Lottery Corporation

## **Introduction**

The Louisiana Lottery Corporation (the Corporation) is pleased to submit its Annual Comprehensive Financial Report for the Basic, Supplemental, and 457(b) retirement plans for the plan year ended December 31, 2023. Lottery management is responsible for the accuracy and completeness of all data and disclosures in this report. To the best of our knowledge, the information presented is accurate and complete in all material respects and fairly depicts the financial activities and position of these plans.

This report is organized into five sections. The introductory section includes this letter of transmittal and an organizational chart. The financial section includes the independent auditor's report, management's discussion and analysis, and the audited financial statements with accompanying notes. The investment section contains information about the funds available for investment by plan participants. Historical and demographic data are presented in the statistical section of this report. A report on compliance and internal control is included in the last section.

## **Government Finance Officers Association Certificate of Achievement**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans for its annual comprehensive financial report for the year ended December 31, 2022. This was the fifteenth year that the Corporation has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current annual comprehensive financial report continues to meet the Certificate of

Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **The Retirement Plans**

The Corporation sponsors three defined contribution retirement plans as part of its employee benefits program. These plans are governmental plans established pursuant to the Louisiana Lottery Corporation Law in Louisiana Revised Statute 47:9015(A). The Basic and Supplemental Retirement Plans are both qualified plans under Section 401(a) of the Internal Revenue Code (IRC). The 457(b) Retirement Plan is a voluntary deferred compensation plan adopted under the provisions of IRC Section 457(b).

Lottery employees do not participate in any State of Louisiana retirement plans, except for one employee grandfathered into the state plan. All part-time and full-time employees are automatically enrolled in the Basic Retirement Plan. Only full-time employees participate in the Supplemental Retirement Plan. Full-time employees may elect to participate in the 457(b) Retirement Plan.

The Basic Retirement Plan serves as a replacement for participation in the Social Security system. Because of its governmental entity status, the Corporation was allowed to opt out of Social Security in 1993. Employee and employer contributions, 6.2% and 5%, respectively, are deposited into individual participants' accounts in lieu of transfer to the Social Security Administration. Income in retirement is funded through the balance in a participant's account which consists of accumulated contributions and investment earnings.

Supplemental Plan defined contributions consist of a 4.5% set percentage of compensation deposit each pay period and a potential 4% discretionary contribution at the end of the Corporation's fiscal year.

Participants of the 457(b) Retirement Plan may elect to defer compensation as deposits into their accounts up to IRC limits. The Corporation matches the first 2.5% and 50% of the next 3% of participants' compensation deferrals.

Detailed provisions of each plan are included in the notes to the financial statements beginning on page 19. Financial results for the plans are discussed in management's discussion and analysis beginning on page 11 and the remainder of the financial section. Historical financial results and demographic information are presented in the statistical section beginning on page 99.

## **Administration and Investments**

Principal Life Insurance Company (PLIC), a member of the Principal Financial Group of Des Moines, Iowa, provides administrative and investment services for the plans. The administration and recordkeeping of participant information, account balances, investment earnings, distributions, investment transfers, contribution deposits, and participant enrollment and education are conducted through PLIC's system and service

team. PLIC selects and monitors investment managers for its sub-advised investment offerings made available through separate accounts and trusts. Several mutual funds are also available through PLIC for participant investment. Information about all of the separate accounts, trusts, mutual funds, and investment managers is included in the investment section of this report beginning on page 30.

The Corporation's Human Resources and Finance departments are responsible for the administration of the plans with oversight by the Retirement Plans Committee. The Investment Committee serves as the plans' fiduciaries in the selection and monitoring of investment options. Oversight, management, and responsibilities for the plans are presented in the organizational chart on page 5.

An investment policy governs the suitability of investment options available to participants. Assets are safeguarded through the use of separate accounts and trusts. In addition, due diligence reviews are performed quarterly to assess investment manager qualitative processes and quantitative performance. Overall average 2023 investment returns for all funds in the three plans combined were a gain of 14.82%.

### **Internal Control Framework**

Management is responsible for the design and operation of the control environment surrounding the administration and financial reporting of the plans. An effective control system of policies and procedures operating as intended prevents or detects errors or misstatements. Inherently, most controls cannot provide complete effectiveness and the cost of operating the controls should not exceed the anticipated benefits. However, the internal control structure for the plans should provide reasonable assurance that corporate objectives will be achieved in the following categories:

- Reliability of financial reporting
- Safeguarding the plans' assets
- Compliance with applicable laws and regulations

Management has assigned responsibilities and designed processes in an attempt to prevent potential conflicts of interest or unilateral control of critical functions. The Corporation has segregated duties in several key areas including the following:

- Human resources and payroll processing
- Participant enrollment and review
- Cash management and bank account reconciliations
- Contribution calculations and review
- Contribution deposits submission and reconciliation

Operational procedures have also been established for administration of the plans including the following:

- Monitoring laws and regulations affecting the plans with PLIC and outside counsel
- Monitoring investment performance and management through PLIC's due diligence

- program and other outside sources
- Reporting of employee termination information to PLIC
- Reconciling payroll contributions and the Corporation's general ledger to PLIC employer statements
- Annual preparation of the plans' financial statements and all related reconciliations

Employee compliance with these standards is constantly monitored and evaluated.

### **Independent Audit**

The Louisiana Legislative Auditor performs an annual audit of the plans' financial statements. The audits are conducted in accordance with generally accepted auditing standards and generally accepted government auditing standards. The independent auditor's opinion on the plans' financial statements for the year ended December 31, 2023, is included in the financial section of this report.

### **Acknowledgements**

The Accounting Department staff prepared each section of the Annual Comprehensive Financial Report. Their efforts have greatly contributed to the success of this informative document. In addition, we appreciate the efforts of the Legislative Auditor's Office in providing assistance with technical requirements.

We are committed to providing thorough and relevant financial information to the users of our financial statements. Our preparation of this Annual Comprehensive Financial Report reflects this commitment. The additional presentations and disclosures required will assist readers in obtaining an understanding of the plans' provisions, investment options, and historical and current financial results.

Respectfully submitted,

LOUISIANA LOTTERY CORPORATION



James F. Goodrum  
Vice President of Finance

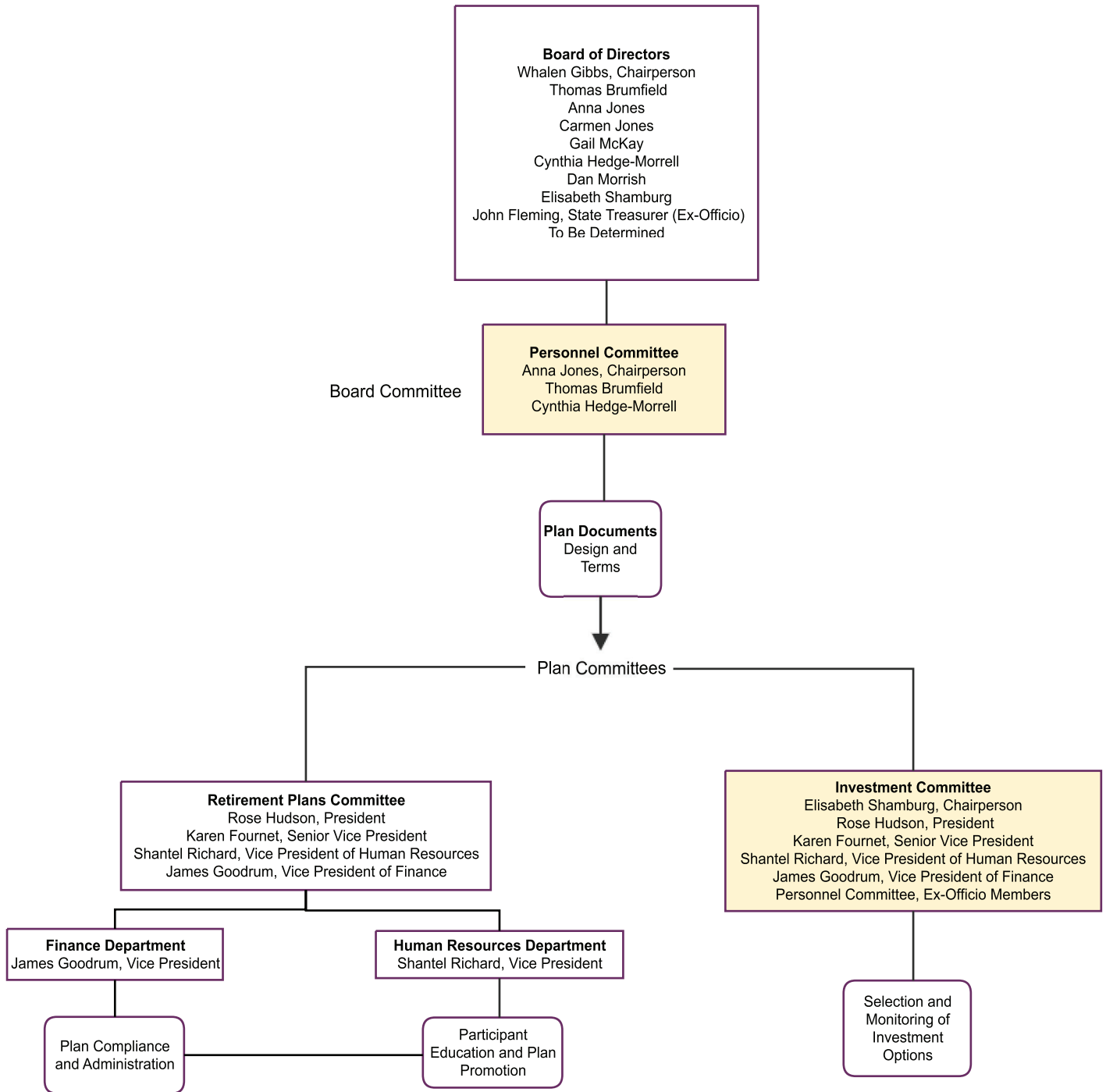


Karen B. Fournet  
Senior Vice President and Secretary Treasurer



# Louisiana Lottery Corporation

## Structure of Oversight of Retirement Plans







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Louisiana Lottery Corporation**  
**Basic, Supplemental, & 457(b) Retirement Plans**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

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**FINANCIAL SECTION**



June 24, 2024

Independent Auditor's Report

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA  
Baton Rouge, Louisiana**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements for the Louisiana Lottery Corporation (Corporation) Basic, Supplemental, and 457(b) Retirement Plans (the Plans) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Plans as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United

States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plans' basic financial statements. The accompanying Schedules of Changes in Net Position Available for Benefits by Investment Option are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Changes in Net Position Available for Benefits by Investment Option are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

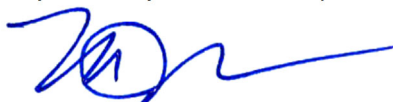
Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Waguespack", with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

ND:JM:BH:BQD:aa

LLCRP23



**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2023**

This discussion of the Louisiana Lottery Corporation Basic, Supplemental, and 457(b) Retirement Plans' financial statements provides an overview and analysis of the plans' financial position and activities for the year ended December 31, 2023. Please read it in conjunction with the plans' financial statements and notes to the financial statements.

Our annual report consists of two types of financial statements, supplementary information schedules, and accompanying notes that provide narrative explanations and additional details of the plans' provisions and activities. The statements, supplementary information schedules, and notes are presented using the accrual method of accounting. Under this method, financial transactions are recorded when earned or incurred regardless of when cash is received or disbursed.

The statement of net position available for benefits on page 17 includes all assets and liabilities of the plans. The balances reported are as of the year ended December 31, 2023. Assets consist of the fair value of units held for the benefit of participants under each investment fund and any earned contributions deposited after December 31, 2023. Fair value is based on deposit values and quoted market prices of the underlying investments. No liabilities exist because all expenses due from the plans are paid by the Corporation and all benefits due to participants were distributed as of the end of the year.

A summary of all financial activities that occurred during the twelve-month period ending December 31, 2023, is presented in the statement of changes in net position available for benefits on page 18. The categories of activities included on this statement provide reasons for increases or decreases in plan net position. Investment income includes all interest, dividends, and fair value gains or losses earned by each investment fund during the year. Participant and employer contributions are the funds earned for each pay period during the year in accordance with the terms of the plans. Withdrawals paid to terminated or retired employees are included in the benefits paid to participants' category. A description of contribution and distribution requirements can be found in note 2 to the financial statements beginning on page 20.

The supplementary information schedules beginning on page 27 present the plans' activities and balances segregated by investment fund. Interfund transfers are participant-directed transfers of funds between investment accounts.

The notes to the financial statements that begin on page 19 present information on accounting policies, plan provisions, investments, income tax status determinations, risk management, termination and merger provisions, and litigation. These notes are an integral part of the financial statements.

A condensed financial data comparison between the current year ended December 31, 2023, and the year ended December 31, 2022, is presented below.

<b>401(a)</b>		
<b>Basic Plan</b>		
<b>Plan Years Ended December 31 for the Years Shown</b>		
	<u>2023</u>	<u>2022</u>
<b>Total Assets</b>	\$18,587,082	\$16,509,397
<b>Liabilities</b>	NONE	NONE
<b>Net position available for benefits</b>	<u>\$18,587,082</u>	<u>\$16,509,397</u>
<b>Additions:</b>		
Investment income/(loss)	\$2,566,129	(\$3,347,436)
Contributions:		
Participant	405,673	395,119
Employer	<u>327,156</u>	<u>318,646</u>
<b>Total additions</b>	3,298,958	(2,633,671)
<b>Deductions:</b>		
Benefits paid to participants	(1,219,623)	(973,065)
Distribution service fees	<u>(1,650)</u>	<u>(875)</u>
<b>Total deductions</b>	(1,221,273)	(973,940)
Increase/(Decrease) in net position	\$2,077,685	(\$3,607,611)
<b>Net position available for benefits, Beginning of year</b>	<u>16,509,397</u>	<u>20,117,008</u>
<b>Net position available for benefits, End of year</b>	<u>\$18,587,082</u>	<u>\$16,509,397</u>

**401 (a)**  
**Supplemental Plan**  
**Plan Years Ended December 31 for the Years Shown**

	<u>2023</u>	<u>2022</u>
<b>Total Assets</b>	\$13,888,483	\$12,086,152
<b>Liabilities</b>	NONE	NONE
<b>Net position available for benefits</b>	<u>\$13,888,483</u>	<u>\$12,086,152</u>
<b>Additions:</b>		
Investment income/(loss)	\$1,921,995	(\$2,441,618)
Contributions:		
Participant		6,342
Employer	<u>554,315</u>	<u>534,991</u>
<b>Total additions</b>	2,476,310	(1,900,285)
<b>Deductions:</b>		
Benefits paid to participants	(673,079)	(232,453)
Distribution service fees	<u>(900)</u>	<u>(600)</u>
<b>Total deductions</b>	(673,979)	(233,053)
Increase /(Decrease) in net position	\$1,802,331	(\$2,133,338)
<b>Net position available for benefits, Beginning of year</b>	<u>12,086,152</u>	<u>14,219,490</u>
<b>Net position available for benefits, End of year</b>	<u>\$13,888,483</u>	<u>\$12,086,152</u>

**457(b) Plan**  
**Plan Years Ended December 31 for the Years Shown**

	<b>2023</b>	<b>2022</b>
<b>Total Assets</b>	\$15,888,522	\$13,672,960
<b>Liabilities</b>	NONE	NONE
<b>Net position available for benefits</b>	\$15,888,522	\$13,672,960
<b>Additions:</b>		
Investment income/(loss)	\$2,227,391	(\$2,830,365)
Contributions:		
Participant	469,551	462,252
Employer	229,951	223,626
<b>Total additions</b>	2,926,893	(2,144,487)
<b>Deductions:</b>		
Benefits paid to participants	(710,581)	(326,026)
Distribution service fees	(750)	(500)
<b>Total deductions</b>	(711,331)	(326,526)
Increase/(Decrease) in net position	\$2,215,562	(\$2,471,013)
<b>Net position available for benefits, Beginning of year</b>	13,672,960	16,143,973
<b>Net position available for benefits, End of year</b>	\$15,888,522	\$13,672,960

The net position of the plans increased because the combination of contributions and investment income was more than benefits paid to participants. The reasons for the activity in each component outlined as follows provide the rationale for this overall change.

**Investment income**

The investment return on the plans' portfolio was as follows:

	<b>2023</b>	<b>2022</b>
<i>Basic Plan</i>	14.62%	-18.28%
<i>Supplemental Plan</i>	14.80%	-18.56%
<i>457(b) Plan</i>	15.07%	-18.98%

The reasons for this investment performance include the asset allocation of the plans' investment portfolio, economic conditions, and the gains and losses of the individual investment funds offered through the plans.

The underlying portfolios of the investments in the plans contain a mix of stocks, bonds, and cash. Each of these types of investments has different risk and return characteristics. Typically, a riskier investment has greater upside and greater downside performance potential. Stocks tend to be more volatile and risky investments that perform according to economic, corporate growth and profitability cycles. Bonds are usually more conservative investments that provide a fixed stream of income and fluctuations in values dependent upon changes in market interest rates. Cash investments include short-term government and corporate securities that offer a stable and very liquid principal value with an interest component.

The specific asset allocation for each fund is included in the investment section beginning on page 30. This information indicates that the plans' investment performance is heavily dependent upon changes in the stock and bond markets. These financial markets tend to fluctuate with economic trends and conditions. The following chart provides economic indicators and financial market results for each year.

	<u>2023</u>	<u>2022</u>
<b><u>Economic Indicators:</u></b>		
<i>Gross Domestic Product (GDP)</i>	2.6%	0.5%
<i>Federal Funds Rate</i>	5.4%	4.4%
<i>Unemployment Rate</i>	3.8%	3.7%
<i>Consumer Price Index (CPI)</i>	3.1%	7.1%
<b><u>Financial Markets:</u></b>		
<i>Standard and Poor's 500 Index (S&amp;P 500)</i>	26.3%	-18.1%
<i>Russell 2000 Small Cap Index</i>	16.9%	-20.4%
MSCI EAFE International Developed Markets Index	18.9%	-14.0%
MSCI EME International Emerging Markets Index	10.3%	-19.7%
<i>10-Year Treasury Note Yield</i>	3.9%	3.9%
Bloomberg Barclays U.S. Aggregate Bond Index	5.5%	-13.0%

\*Source: JPMorgan Asset Management Guide to the Markets December 31, 2023 and 2022

The United States (U.S.) economy rebounded as inflation eased after several rounds of federal funds rate increases by the Federal Reserve. The U.S. did not dip into the recession that was predicted by many economists. The unemployment rate remained low and GDP increased by 2%.

The U.S. financial stock markets responded with optimism and positive momentum as a soft landing after the recent rate-hike cycle seems more likely than it did at the end of 2022. International markets followed suit but at a slower pace.

Money market funds and other similar short-term fixed-income funds continued to generate higher-than-average returns because of the steep increase in the federal funds rate over the past two years. Intermediate fixed-income funds had positive returns as the 10-year treasury note yield remained stable.

The investment performance of the individual funds offered through the plans was affected by the financial market environment. Investment losses and income generated by each fund is listed on the supplementary schedules beginning on page 27. In addition, investment performance and benchmark comparisons are included in the investment section of this report beginning on page 30.

### **Contributions**

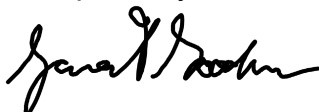
Contributions to the plans increased mainly because total eligible compensation increased from 2022 to 2023. Contributions are calculated as a percentage of wages. The contribution provisions for the Plans are outlined in note 2 to the financial statements beginning on page 20. Historical compensation and deferral information is provided in the operating information in the statistical section of this report on page 103.

### **Benefits paid to participants**

Benefits paid out in any given year are dependent upon the volume of employee terminations or retirements, the length of service of these employees, the balances maintained in their accounts, and the distribution elections that determine the timing of payments. Differences in these factors can cause substantial variances in a year-to-year comparison of plan distributions. The distribution provisions for the plans are included in note 2 to the financial statements beginning on page 20.

This financial overview of the Basic, Supplemental, and 457(b) Retirement Plans is provided as a supplemental analysis of the financial position and activities of the plans as of and for the year ended December 31, 2023. It is based on currently known facts and decisions and includes information about transactions, events, and conditions that are reflected in the financial statements and accompanying notes. The additional presentations and disclosures are included to assist the users of this report in understanding the financial results of these retirement plans.

Respectfully submitted,



James F. Goodrum  
Vice President of Finance



Karen B. Fournet  
Senior Vice President and Secretary Treasurer



LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

Statement of Net Position Available for Benefits  
 December 31, 2023

	<u>401(a) Plans</u>		<u>457(b) Plan</u>
	<u>Basic</u>	<u>Supplemental</u>	
<b>ASSETS</b>			
Investments (note 3)			
Stable Value Fund	\$48,005	\$1,023,132	\$784,211
Separate Accounts	2,128,666	3,897,390	4,680,414
Collective Investment Trusts - Target Date Funds	\$16,074,788	8,559,316	9,469,176
Mutual Funds	\$321,560	403,099	941,776
Total Investments	<u>18,573,019</u>	<u>13,882,937</u>	<u>15,875,577</u>
Contributions receivable	<u>14,063</u>	<u>5,546</u>	<u>12,945</u>
<b>Total Assets</b>	<u>\$18,587,082</u>	<u>\$13,888,483</u>	<u>\$15,888,522</u>
<b>LIABILITIES</b>			
	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>NET POSITION AVAILABLE FOR BENEFITS</b>	<u>\$18,587,082</u>	<u>\$13,888,483</u>	<u>\$15,888,522</u>

The accompanying notes are an integral part of this statement.



**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Statement of Changes in Net Position Available for Benefits  
For the Year Ended December 31, 2023**

	<u>401(a) Plans</u>		<u>457(b) Plan</u>
	<u>Basic</u>	<u>Supplemental</u>	
<b>ADDITIONS</b>			
Investment income	\$2,566,129	\$1,921,995	\$2,227,391
Contributions:			
Participant	405,673		469,551
Employer	327,156	554,315	229,951
Total additions	<u>3,298,958</u>	<u>2,476,310</u>	<u>2,926,893</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants	(1,219,623)	(673,079)	(710,581)
Distribution service fees	<u>(1,650)</u>	<u>(900)</u>	<u>(750)</u>
Total deductions	<u>(1,221,273)</u>	<u>(673,979)</u>	<u>(711,331)</u>
Net increase	2,077,685	1,802,331	2,215,562
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<u>16,509,397</u>	<u>12,086,152</u>	<u>13,672,960</u>
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	<u><u>\$18,587,082</u></u>	<u><u>\$13,888,483</u></u>	<u><u>\$15,888,522</u></u>

The accompanying notes are an integral part of this statement.



## INTRODUCTION

The Louisiana Lottery Corporation (Corporation) is authorized under Louisiana Revised Statute (R.S.) 47:9015(A) to provide or arrange for a retirement plan. The Corporation's Basic, Supplemental, and 457(b) Retirement Plans (the Plans) have been established pursuant to this statute.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles.

The Corporation's Plans report on their financial position and results of operations. The financial statements account for contributions from participants and the employer, investment income, and benefits distributed to participants.

#### B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy, has defined the governmental reporting entity to be the State of Louisiana. The Corporation is considered to be a component unit of the State of Louisiana because the state has financial accountability for the Corporation. Although the Corporation appoints the Plans' governing board, the Corporation is not financially accountable for the Plans since, under the Internal Revenue Code (IRC), all assets and income of the Plans are held in trust for the exclusive benefit of participants. In accordance with the provisions of GASB Statement No. 97, plan balances and activities are not reflected in the Corporation's financial statements. In addition, administrative and investment services for the Plans are provided by an insurance company.

#### C. BASIS OF ACCOUNTING

Basis of accounting refers to the timing of recognition of additions and deductions in the accounts and reporting in the financial statements. The financial statements of the Corporation's Plans are accounted for using the accrual basis of accounting. Accordingly, additions are recognized when earned and deductions are recognized when incurred. The Plans use the following practices in recognizing additions and deductions:

### **Contributions**

Employer and employee contributions are recognized in the period when the compensation used to calculate the contributions is earned.

### **Investment Income**

Investment income is accrued as earned.

### **Plan Expenses**

Fees related to the record keeping and administration of the Plans are paid by the Corporation. Participants pay fees for the processing of distribution requests.

### **Benefits Paid to Participants**

Benefits are recorded when due.

## **D. VALUATION OF INVESTMENTS**

Investments are reported at fair value, which is based on net asset value (NAV) or quoted market prices.

## **2. DESCRIPTION OF THE PLANS**

As of December 31, 2023, there were 100 participants in the Basic Plan, 92 participants in the Supplemental Plan, and 82 participants in the 457(b) Retirement Plan.

### **A. BASIC RETIREMENT PLAN**

The Corporation has a money purchase plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended, which is intended to constitute a safe harbor within the meaning of Section 3121(b)(7) of the code and the regulations promulgated thereunder. The Basic Retirement Plan, which is a defined contribution plan, began September 1, 1993, with all employees eligible except those who elected coverage under a state retirement plan and those who are either independent contractors or leased employees.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

As defined in the Basic Retirement Plan, the Corporation's contribution shall be 5% of the participant's compensation for such plan year. The participant's contribution shall equal 6.2% of his or her compensation for such plan year.

No more than the social security wage base in effect as of the first day of the plan year shall be treated as compensation. As of June 1, 1994, the Corporation elected to treat all contributions to the plan as pre-tax.

The distribution of a participant's benefits shall commence as of the date designated by the participant (annuity starting date) after termination of employment with the Corporation, but shall not be later than April 1 of the year following the calendar year in which the participant attains age 73 or the date on which the participant terminates his or her employment, if later. Effective February 24, 2023, subject to certain restrictions, an active participant may also elect to receive a distribution upon attainment of age 59 1/2 without regard to whether the participant has terminated his or her employment.

The participant shall make a qualified election to receive the distribution in the form of a single-sum payment or to purchase a qualified joint and survivor annuity or single life annuity contract. This qualified election may be revoked, modified, or amended at any time, or multiple times before the participant's annuity starting date; however, the qualified election is irrevocable as of the participant's annuity starting date.

### **B. SUPPLEMENTAL RETIREMENT PLAN**

The Corporation has a defined contribution retirement plan that covers substantially all full-time employees. The plan is a governmental plan within the meaning of Section 414(d) of the IRC of 1986, as amended, and is intended to constitute a profit-sharing plan under which contributions are determined without regard to the current or accumulated profits of the Corporation, if any.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

The Corporation contributes 4.5% of each participant's compensation for the year, as defined. Generally, participants are not permitted to contribute to the plan; however, participants may contribute proceeds from a qualified rollover distribution as allowed by IRC Section 402.

In addition, each fiscal year ending June 30, the Board of Directors of the Corporation may determine the amount of a discretionary contribution not to exceed 4% of each participant's compensation for any fiscal year.

The distribution of a participant's account shall be made in the form of a single-sum payment after the participant terminates employment with the Corporation, becomes disabled, or dies. A participant may elect to postpone the distribution, in writing on forms provided by the Retirement Plans Committee, provided, however, in no event shall distribution be postponed later than April 1 following the close of the calendar year in which the participant attains age 73 or the date on which the participant terminates his or her employment, if later.

Effective February 24, 2023, subject to certain restrictions, an active participant may also elect to receive a distribution upon attainment of age 59 1/2 without regard to whether the participant has terminated his or her employment.

### C. 457(b) RETIREMENT PLAN

The 457(b) Retirement Plan is a voluntary deferred compensation plan adopted under the provisions of IRC Section 457(b).

A full-time employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

The plan includes an *Automatic Contribution Arrangement*. Eligible employees will be automatically enrolled at the default percentage of 5.5% of compensation on a pre-tax basis unless an affirmative election is made on a *Compensation Deferral Election Form*. Each year on July 1<sup>st</sup>, the default percentage shall increase by 1%, up to a maximum of 9.5%.

For the plan year, the sum of compensation deferred by a participant and the Corporation's matching contributions made on behalf of such participant shall not exceed the lesser of such participant's compensation or \$22,500. The Corporation contributes a matching contribution equal to 100% of the first 2.5% of compensation deferred by each participant and 50% of the next 3% of compensation deferred by each participant. Participants can elect any combination of Pre-tax or Roth deferral options.

Benefits are payable to former employees at the time and in the manner designated by the participants on a distribution election form. In no event may a participant defer payment of benefits later than April 1 of the calendar year immediately following the year in which the participant attains age 73. The distribution of benefits shall be made in the form of a single-sum payment. Effective February 24, 2023, subject to certain restrictions, an active participant may also elect to receive a distribution upon attainment of age 59 1/2 without regard to whether the participant has terminated his or her employment.

## 3. INVESTMENTS

Principal Life Insurance Company (PLIC) provides administrative and investment services for the Plans. The Plans' investments at December 31, 2023 are held in trusts, pooled separate accounts, collective investment trusts, or mutual funds. The Principal Stable Value Fund is held in a trust with Principal Global Investors Trust Company serving as the trustee. The separate accounts are established through a flexible investment annuity group contract with PLIC and consist of proprietary Principal funds. Principal LifeTime Hybrid CIT funds are offered through a participation agreement with Principal Global Investors Trust Company. Other mutual fund investments are offered through a group custodial agreement that includes Principal Global Investors Trust Company as trustee.



The fair values of investments in the Principal Stable Value Fund, Principal Separate Accounts, and Principal Lifetime Hybrid CIT funds are measured using net asset value (NAV) per share on a daily basis. These investments can be redeemed daily at NAV. The mutual fund investments are valued using quoted prices from exchange markets and are classified as level 1 of the GASB 72 fair value hierarchy. Mutual funds can also be redeemed daily at fair value.

The Corporation's Retirement Plans Investment Committee (the Committee) is responsible for designating the funds available for investment by Plan participants in accordance with its formal investment policy. The primary objectives of the investment program are to provide quality investment options, allow participants to exercise control over the investment of their retirement accounts, and offer access to an appropriate range of prudent investment options that enables participants to construct a well-diversified portfolio. The policy includes qualitative and quantitative criteria for selecting and monitoring investment options and managers for debt, real estate, asset allocation, and equity investment funds. No specific credit ratings for funds invested in debt securities are required. In addition, the policy does not specifically address requirements for interest rate or foreign currency risk.

All investment options in the Plans are offered at the lowest-cost share class available from PLIC because the Corporation pays for record keeping and administrative expenses. The net investment expense ratios are included in the investment performance chart on page 35 and on the fund fact sheets beginning on page 36.

Participants in the Supplemental and 457(b) Retirement Plans can allocate the investment of participant and employer contributions in whole percentages to any combination of funds reflected on the following page. On February 13, 2023, the Retirement Plans' Investment Committee amended the *Retirement Plans Investment Policy* to align the Basic Retirement Plan investment options available to participants with the full menu of options available in the other two plans. Previously, Basic Plan participants' investment of participant and employer contributions were limited to the Principal LifeTime Hybrid CIT funds. Effective May 5, 2023, Basic Retirement Plan participants can allocate the investment of participant and employer contributions and accumulated balances in whole percentages to any combination of funds listed on the following page. The investment allocations in the Plans for current balances and future contributions can be changed on a daily basis.

At December 31, 2023, investments are composed of the following:

## NOTES TO THE FINANCIAL STATEMENTS

	<i>401(a)</i>		<b>457 (b)</b>
	<i>Plans</i>		
	<b><u>Basic</u></b>	<b><u>Supplemental</u></b>	
<b>Principal Stable Value Fund</b>			
<b>(Principal Global Investors Trust Company - Trustee)</b>	\$48,005	\$1,023,132	\$784,211
<b>PLIC Flexible Investment Annuity Group Contract</b>			
<b>Separate Accounts:</b>			
<b>Principal Proprietary Funds Z Rate Level:</b>			
U.S. Property		71,523	117,682
LargeCap S&P 500 Index	1,583,245	1,614,381	1,464,831
Bond Market Index	56,006	22,159	44,825
Core Plus Bond	89	47,034	41,168
Diversified International	180	12,042	4,242
Capital Appreciation	89	161,329	209,323
MidCap Value I		12,981	3,369
MidCap S&P 400 Index	203,786	147,333	196,096
LargeCap Growth I	89	387,772	539,399
LargeCap Value III		43,378	33,775
MidCap Growth III		474,406	750,936
SmallCap Growth I	80,219	455,649	573,267
SmallCap Value II		188,364	249,387
SmallCap S&P 600 Index	204,963	259,039	452,114
<b>Collective Investment Trusts:</b>			
<b>Principal Proprietary Funds Z Rate Level:</b>			
<b>Principal LifeTime Hybrid - Target Date Funds</b>			
<b>(Principal Global Investors Trust Company - Trustee)</b>			
Income CIT	1,067,837	326,071	1,162,128
2015 CIT	461,478	25,360	104,639
2020 CIT	1,305,660	1,066,196	966,826
2025 CIT	3,628,051	2,716,487	2,504,174
2030 CIT	3,892,943	1,591,033	2,047,508
2035 CIT	2,086,810	978,475	1,027,367
2040 CIT	1,123,888	824,132	777,116
2045 CIT	902,069	657,246	634,541
2050 CIT	492,208	197,724	126,341
2055 CIT	268,533	56,993	39,497
2060 CIT	364,696	118,209	69,570
2065 CIT	478,454	1,390	9,469
2070 CIT	2,161		
<b>Mutual Fund Investments:</b>			
<b>(Principal Global Investors Trust Company - Trustee)</b>			
American Century Equity Income R6 Fund		72,636	102,616
American Funds Growth Fund of America Fund	321,381	161,964	471,901
American Funds EuroPacific Growth Fund	179	168,499	367,259
<b>Total</b>	<b><u>\$18,573,019</u></b>	<b><u>\$13,882,937</u></b>	<b><u>\$15,875,577</u></b>

Investments in the Principal LifeTime Hybrid CIT Funds account for 71% of total investments of all three Plans. These portfolios have various allocations to underlying funds that have investments in bonds and international securities. The underlying bond investments have credit quality ratings and duration measurements that indicate exposure to fair value changes arising from changing interest rates. The Principal LifeTime Hybrid CIT Funds are not specifically rated and duration is not reported. The holdings of each fund are displayed in the fund fact sheets beginning on page 36.

The Principal Stable Value Fund, Bond Market Index and Core Plus Bond Separate Accounts also have underlying fixed income investments with credit quality ratings. However, these funds are not specifically rated.

The Diversified International Separate Account and the American Funds Euro Pacific Growth Fund are international funds.

#### **4. INCOME TAX STATUS**

The Basic and Supplemental Retirement Plans obtained favorable determination letters from the IRS on May 11, 2017. The IRS stated that the Plans, as designed, were in compliance with the applicable requirements of the IRC. Therefore, the Plans are qualified and tax-exempt as of the financial statement date.

The 457(b) Retirement Plan is an employee benefit plan that is established and maintained under Section 457(b) of the IRC. The 457(b) Retirement Plan has not requested a private letter ruling, which is, in effect, a determination as to the legal status of the Plan. However, the Plan's tax counsel believes that the Plan is designed in compliance with the applicable requirements of the IRC.

#### **5. RISK MANAGEMENT**

The Corporation and the Plans' fiduciaries are exposed to various risks of loss related to investment performance, crime, and administrative errors or omissions. The Plans are governmental plans and are not subject to the requirements of the Employee Retirement Income Security Act (ERISA). However, in the best interests of the participants, the Plans' fiduciaries have elected to follow the guidelines in ERISA to provide adequate due diligence in the selection and monitoring of investment options and managers. PLIC assists with these responsibilities and is a co-fiduciary with regard to the selection, monitoring, and retention of portfolio investment managers for its separate accounts. Wilshire Funds Management provides objective, independent, third party oversight for the screening, selection, and monitoring of investment options. In addition, the Corporation has purchased fiduciary liability, crime, and employee benefits administration commercial insurance to cover potential losses.

## 6. TERMINATION

Although it has not expressed any intent to do so, the Board of Directors of the Corporation has the right, at any time, to terminate the Plans, in whole or in part, by delivering written notice to the administrative services provider and to each participant of such termination. A complete discontinuance of the Corporation's contributions to the Plans shall be deemed to constitute a termination. Upon such termination, the Retirement Plans Committee shall direct the administrative services provider to distribute the assets of the Plans to the participants.

## 7. MERGERS

The Basic and Supplemental Plans may be merged or consolidated with or its assets and liabilities may be transferred to another plan only if the benefits which would be received by a participant in the event of a termination of the Plans immediately after such transfer, merger, or consolidation are at least equal to the benefit such participant would have received if the Plans had terminated immediately before the transfer, merger, or consolidation.

## 8. LITIGATION

There is no pending litigation against the Plans at December 31, 2023.

## 9. SUBSEQUENT AMENDMENTS

On April 26, 2024, the Retirement Plans' Investment Committee amended the *Retirement Plans Investment Policy's* approved investment options menu. The following two changes will be implemented for all three plans as soon as legally and administratively possible.

The U.S. Property Separate Account was closed to new investments, including transfers from other investment options and new payroll contributions. Remaining balances and any payroll contribution elections will be redirected to the plans' default investment option, the Principal LifeTime Hybrid CIT target-date funds.

The Principal Stable Value Fund was replaced with the Vanguard Treasury Money Market Fund. Principal Stable Value Fund remaining balances and payroll contribution elections will be redirected to the Vanguard Treasury Money Market Fund.

## SCHEDULES OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS, BY INVESTMENT OPTION

Whereas Statement B presents the totals for the Plans as a whole, these schedules present the changes in net position available for benefits by investment option for the year ended December 31, 2023.



**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Schedule of Changes in Net Position Available for Benefits, by Investment  
Option for the 401(a) Basic Plan  
For the Year Ended December 31, 2023**

	NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME (LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICE FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>Principal Stable Value Fund (Principal Global Investors Trust Company - Trustee)</b>			\$11	\$9			\$47,985	\$48,005
<b>PLIC Flexible Investment Annuity Group Contract Separate Accounts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>		\$139,392	9,900	7,984			1,425,969	1,583,245
LargeCap S&P 500 Index			13	11			55,982	56,006
Bond Market Index			46	39				89
Core Plus Bond		4						180
Diversified International		12	93	75				89
Capital Appreciation		6	46	37				203,786
MidCap S&P 400 Index		7,605	121	98			195,962	89
LargeCap Growth I		6	46	37			76,000	80,219
SmallCap Growth I		4,219					195,962	204,963
SmallCap S&P 600 Index		8,782	121	98				
<b>PLIC Flexible Investment Annuity Group Contract Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal Life Time Hybrid - Target Date Funds (Principal Global Investors Trust Company - Trustee)</b>								
Income CIT	\$444,309	77,079	12,938	10,434	(\$25,135)	(\$250)	548,462	1,067,837
2010 CIT	478,908	22,224					(501,132)	
2015 CIT	410,624	46,122	4,530	3,653	(8,407)	(134)	5,090	461,478
2020 CIT	1,118,878	139,990	31,659	25,531	(10,373)	(25)		1,305,660
2025 CIT	3,424,649	440,110	59,769	48,200	(165,804)	(141)	(178,732)	3,628,051
2030 CIT	4,096,099	547,313	73,807	59,522	(878,358)	(350)	(5,090)	3,892,943
2035 CIT	2,426,720	406,183	58,489	47,168	(51,905)	(100)	(799,745)	2,086,810
2040 CIT	920,552	172,852	39,379	31,758	(40,236)	(417)		1,123,888
2045 CIT	680,440	141,131	44,779	36,113	(344)	(50)		902,069
2050 CIT	403,461	82,525	16,667	13,440	(23,835)	(50)		492,208
2055 CIT	276,523	51,786	12,892	10,396	(6,964)	(100)	(76,000)	268,533
2060 CIT	332,526	65,541	25,873	20,866	(4,094)	(16)	(76,000)	364,696
2065 CIT	1,481,283	167,366	11,525	9,294	(4,168)	(17)	(1,186,829)	478,454
2070 CIT		141	1,118	902				2,161
<b>Mutual Fund Investments: (Principal Global Investors Trust Company - Trustee)</b>								
American Funds Growth Fund of America Fund		45,728	1,958	1,579			272,116	321,381
American Funds EuroPacific Growth Fund		12	93	74				179
<b>Contributions Receivable</b>	14,425		(200)	(162)				14,063
<b>Total</b>	<b>\$16,509,397</b>	<b>\$2,566,129</b>	<b>\$405,673</b>	<b>\$327,156</b>	<b>(\$1,219,623)</b>	<b>(\$1,650)</b>	<b>NONE</b>	<b>\$18,587,082</b>

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

**Schedule of Changes in Net Position Available for Benefits, by Investment  
Option for the 401(a) Supplemental Plan  
For the Year Ended December 31, 2023**

	NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME/(LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICE FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>Principal Stable Value Fund</b>								
(Principal Global Investors Trust Company - Trustee)	\$1,117,689	\$29,488		\$39,251	(\$131,336)	(\$99)	(\$31,861)	\$1,023,132
<b>PLIC Flexible Investment Annuity Group Contract</b>								
Separate Accounts:								
<b>Principal Proprietary Funds Z Rate Level:</b>								
U.S. Property	77,367	(8,374)		2,597	(8,772)	(46)	(67)	71,523
LargeCap S&P 500 Index	1,078,419	308,482		28,604			207,694	1,614,381
Bond Market Index	22,103	1,317		1,139			(2,400)	22,159
Core Plus Bond	43,098	2,477		1,392	(137)	(4)	208	47,034
Diversified International	8,686	1,792		1,551			13	12,042
Capital Appreciation	127,073	32,657		2,122	(502)	(14)	(7)	161,329
MidCap Value I	11,260	1,323		410			(12)	12,981
MidCap S&P 400 Index	120,985	20,435		4,939			974	147,333
LargeCap Growth I	267,566	111,046		5,046	(443)	(13)	4,570	387,772
LargeCap Value III	48,158	4,435		822	(317)	(9)	(10,037)	43,378
MidCap Growth III	386,927	81,354		6,449			2	474,406
SmallCap Growth I	380,015	65,539		6,878			3,217	455,649
SmallCap Value II	153,250	31,873		3,635	(371)	(11)	(12)	188,364
SmallCap S&P 600 Index	186,314	32,564		4,716			35,445	259,039
<b>Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal LifeTime Hybrid - Target Date Funds</b>								
(Principal Global Investors Trust Company - Trustee)								
Income CIT	91,436	22,605		3,200	(9,572)	(73)	218,475	326,071
2010 CIT	210,230	9,755					(219,985)	
2015 CIT	24,765	2,633			(1,981)	(57)		25,360
2020 CIT	912,581	114,695		39,399	(466)	(13)		1,066,196
2025 CIT	2,430,448	325,927		72,665				2,716,487
2030 CIT	1,750,063	229,739		87,844	(476,410)	(203)	(112,553)	1,591,033
2035 CIT	789,223	135,619		61,101	(7,368)	(100)		978,475
2040 CIT	659,152	125,427		49,573	(9,970)	(50)		824,132
2045 CIT	493,851	102,979		62,271	(1,805)	(50)		657,246
2050 CIT	148,644	32,242		16,838				197,724
2055 CIT	58,828	10,840		9,702	(23,367)	(150)	1,140	56,993
2060 CIT	71,703	17,644		28,862				118,209
2065 CIT	88,918	6,014		1,890			(95,432)	1,390
<b>Mutual Fund Investments:</b>								
(Principal Global Investors Trust Company - Trustee)								
American Century Equity Income A Fund	67,238	1,047		460			(68,745)	72,636
American Century Equity Income RG Fund	114,745	1,764		2,099			68,773	161,964
American Funds Growth Fund of America Fund	139,748	43,733		3,236			250	168,499
American Funds EuroPacific Growth Fund		22,924		5,747	(262)	(8)	350	
<b>Contributions Receivable</b>	5,669		(123)					5,546
<b>Total</b>	\$12,086,152	\$1,921,995	\$554,315	(\$673,079)	(\$900)		NONE	\$13,888,483



LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA

Schedule of Changes in Net Position Available for Benefits, by Investment  
Option for the 457(b) Retirement Plan  
For the Year Ended December 31, 2023

	NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	INVESTMENT INCOME (LOSS)	PARTICIPANT CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	BENEFITS PAID TO PARTICIPANTS	DISTRIBUTION SERVICES FEES	INTERFUND TRANSFERS	NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR
<b>Principal Stable Value Fund</b>								
(Principal Global Investors Trust Company - Trustee)	\$1,039,470	\$24,341	\$57,428	\$23,996	(\$346)		(\$360,677)	\$784,211
<b>PLIC Flexible Investment Annuity Group Contract</b>								
<b>Separate Accounts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
U.S. Property	125,493	(13,751)	2,806	1,762	(988)		2,400	117,682
LargeCap S&P 500 Index	1,147,111	303,573	21,543	11,000	(6,255)		(12,119)	1,464,831
Bond Market Index	47,053	2,724	770	560	(939)		(6,282)	44,825
Core Plus Bond	38,420	2,208	858	624				41,168
Diversified International	2,941	601	405	295				4,242
Capital Appreciation	160,911	41,576	3,144	1,100	(3,332)		5,933	209,323
MidCap Value I	2,975	342	30	22				3,369
MidCap S&P 400 Index	163,377	26,861	2,680	1,794	(2,295)		3,690	196,096
LargeCap Growth I	375,270	154,108	8,070	2,709	(5,766)		5,031	539,399
LargeCap Value III	40,789	3,505	779	567			(11,865)	33,775
MidCap Growth III	611,073	128,547	7,554	3,406	(2,138)		2,499	750,936
SmallCap Growth I	475,981	81,982	8,764	3,041			3,499	573,267
SmallCap Value II	204,799	42,167	3,195	1,616	(2,384)			249,387
SmallCap S&P 600 Index	328,134	54,654	3,659	2,353	(2,283)		65,608	452,114
<b>Collective Investment Trusts:</b>								
<b>Principal Proprietary Funds Z Rate Level:</b>								
<b>Principal LifeTime Hybrid - Target Date Funds</b>								
(Principal Global Investors Trust Company - Trustee)								
Income CIT	61,574	68,061	2,110	1,535	(48,867)		1,077,815	1,162,128
2010 CIT	1,032,973	47,935			(22,407)		(1,080,908)	104,639
2015 CIT	115,884	11,218						966,826
2020 CIT	826,330	103,687	23,703	13,106				2,504,174
2025 CIT	2,181,585	291,606	61,152	29,272	(59,391)		306,097	2,047,508
2030 CIT	1,876,675	274,690	78,855	37,487	(526,146)			1,027,367
2035 CIT	820,875	141,607	43,556	21,410	(31)		(2,039)	777,116
2040 CIT	619,476	118,213	38,229	20,608	(17,271)			634,541
2045 CIT	462,109	97,754	51,262	23,416				126,341
2050 CIT	96,598	20,679	4,997	4,067	(5,887)		2,040	39,497
2055 CIT	28,742	6,311	6,217	4,214				69,570
2060 CIT	37,619	9,767	12,014	8,130				9,469
2065 CIT	5,707	1,356	1,406	1,020				
<b>Mutual Fund Investments:</b>								
(Principal Global Investors Trust Company - Trustee)								
American Century Equity Income A Fund	96,486	1,481	1,029	516	(2,057)		(97,450)	102,616
American Century Equity Income R6 Fund	332,502	2,433	1,804	933	(4)		97,450	471,901
American Funds Growth Fund of America Fund	300,870	127,827	9,355	3,897	(1,798)		958	367,259
American Funds EuroPacific Growth Fund		49,348	12,259	5,626				
<b>Contributions Receivable</b>	13,158		(82)	(131)				12,945
<b>Total</b>	\$13,672,960	\$2,227,391	\$469,551	\$229,951	(\$750)		NONE	\$15,888,522



**INVESTMENT SECTION  
(UNAUDITED)**



## Investment Program Overview

The Investment Committee is responsible for the selection and monitoring of the investment options available to participants. A formal investment policy governs the structure and content of these responsibilities. The primary objectives of this policy are as follows:

- **Program Quality** - Provide quality investment options that generate a high level of participation and satisfaction for both current and former employees.
- **Participant Control** – Allow participants to exercise control over their retirement accounts by providing them the ability to direct the investment of account assets.
- **Diversification** – Offer participants access to an appropriate range of prudent investment options that enables them to construct a well-diversified portfolio. The availability of suitable investment options will allow Plan participants to materially affect the potential returns on amounts in their accounts, control the degree of risk to which such amounts are subject, and create a portfolio with aggregate risk and return characteristics normally appropriate for Plan participants.

The Committee has structured the Plans' menu of investment options toward meeting these objectives by selecting funds that are diversified across a selection of asset classes, styles, and investment managers. Target-date funds are offered in all three plans. These funds are professionally managed asset allocation portfolios that are fully diversified single investment options matched to a participant's investment time horizon. Principal Lifetime Hybrid CIT Funds are age-based (lifecycle) portfolios that are managed and adjusted systematically based on targeted retirement dates. In addition, a broad variety of individual separate accounts and funds are also offered in all three plans for the participants that are more involved in their individual investment allocations.

This section of the report contains the following information about the investments offered in the plans:

- **Investment Policy Approved Investment Options** (Page 31)
  - Contains a listing of funds available for investment by participants in each plan grouped into categories of investor preference (i.e. completely do-it-for-me, do-it-myself)
- **Investment Styles** (Page 32)
  - Reflects the diversification of the investment offerings by asset classes, styles, and investment managers
- **Asset Allocation** (Page 33)
  - Provides an overview of the allocation of plan assets by asset class at December 31, 2023
- **Fair Value and Percent of Total Fair Value for Each Investment** (Page 34)
  - Presents the fair value of each investment and percent to total plan assets fair value
- **Investment Performance** (Page 35)
  - Average annualized % rates of return for the 1-, 3-, 5-, and 10- year time periods and net expense ratios for each fund are provided
- **Fund Fact Sheets** (Pages 36-98)
  - Contain detailed information about each investment option including investment strategy, returns compared to market categories and benchmarks, statistics, and holdings

Investment balances and allocations are reported at fair value, which is based on deposit values and quoted market prices. Performance calculations are time-weighted rates of return based on market rates of return.

This section of the report was prepared by James F. Goodrum, Vice President of Finance and member of the Investment Committee.

## Investment Policy Approved Investment Options

Source: Louisiana Lottery Corporation Retirement Plans Investment Policy

### Louisiana Lottery Corporation Investment Policy Current Approved Investment Options

\* Use lowest-cost share class available for all investment options with Lottery directly paying administrative expenses

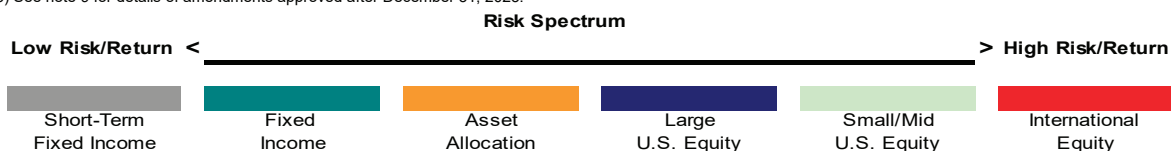
Investment Fund	Investment Style	Basic Plan	Supplemental Plan	457(b) Plan
<b>Lifecycle (Age-Based) Funds:</b>				
<b>Completely "Do-it-for-me" Investors</b>				
Principal LifeTime Hybrid Funds: (1) All funds in series including 5-year intervals and any future date portfolios	Asset Allocation	√	√	√
<b>Individual Separate Accounts and Funds:</b>				
(2)				
<b>"Do-it-myself" Investors</b>				
Principal Stable Value Fund (3)	Stable Value or Cash Equivalent	√	√	√
Core Plus Bond	Domestic Fixed Income	√	√	√
Bond Market Index Separate Account	Domestic Fixed Income	√	√	√
U.S. Property Separate Account (3)	Core Real Estate Property	√	√	√
LargeCap S&P 500 Index	Domestic Stock/Large Blend Index	√	√	√
Capital Appreciation Separate Account	Domestic Stock/Large Blend	√	√	√
LargeCap Value III Separate Account	Domestic Stock/Large Value	√	√	√
LargeCap Growth I Separate Account	Domestic Stock/Large Growth	√	√	√
American Century Equity Income Fund	Domestic Stock/Large Value	√	√	√
American Funds Growth Fund of America Fund	Domestic Stock/Large Growth	√	√	√
MidCap Growth III Separate Account	Domestic Stock/Mid Growth	√	√	√
MidCap Value I Separate Account	Domestic Stock/Mid Value	√	√	√
MidCap S&P 400 Index Separate Account	Domestic Stock/Mid Blend	√	√	√
SmallCap Growth I Separate Account	Domestic Stock/Small Growth	√	√	√
SmallCap Value II Separate Account	Domestic Stock/Small Value	√	√	√
SmallCap S&P 600 Index Separate Account	Domestic Stock/Small Blend	√	√	√
Diversified International Separate Account	International or Foreign Stock	√	√	√
American Funds EuroPacific Growth Fund	International or Foreign Stock	√	√	√

√ - Approved investment option

(1) These targeted retirement date portfolios will be the default investment option for the plans if a participant does not make an affirmative investment election or elects a do-it-for-me option on an enrollment form.

(2) Effective May 5, 2023. See note 3 for further details.













(3) See note 9 for details of amendments approved after December 31, 2023.








# Investment Styles

Source: Investment Committee and Principal Financial Group

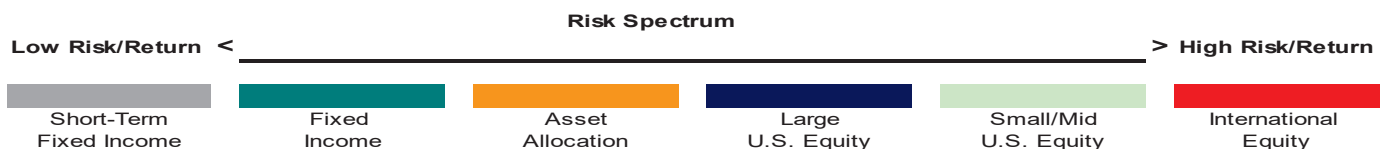
## Domestic Equity Investment Style Box

	Value	Blend	Growth
Large Cap	<b>Large U.S. Equity</b>		
	LargeCap Value III Separate Account    American Century Equity Income R6 Fund  	LargeCap S&P 500 Index Separate Account    Capital Appreciation Separate Account  	LargeCap Growth I Separate Account    American Funds Growth Fund of America Fund  
	<b>Small/Mid U.S. Equity</b>		
Mid Cap	MidCap Value I Separate Account    SmallCap Value II Separate Account	MidCap S&P 400 Index Separate Account    SmallCap S&P 600 Index Separate Account	MidCap Growth III Separate Account    SmallCap Growth I Separate Account
Small Cap			

## Other Investment Styles

Short-Term Fixed Income	Fixed Income	Asset Allocation
Principal Stable Value Fund  	Core Plus Bond Separate Account    U.S. Property Separate Account    Bond Market Index Separate Account  	Principal LifeTime Hybrid Funds  

International Equity
Diversified International Separate Account    American Funds Euro Pacific Growth Fund  

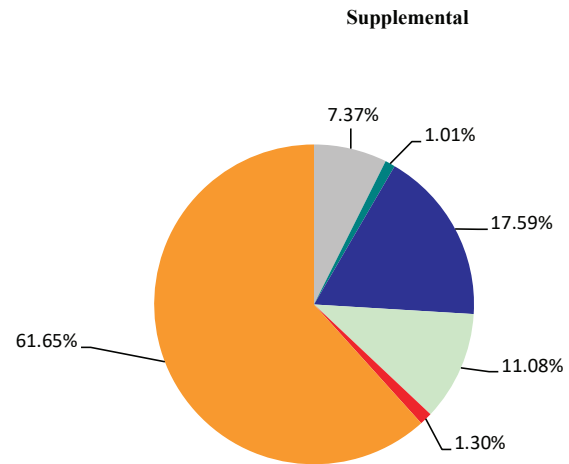
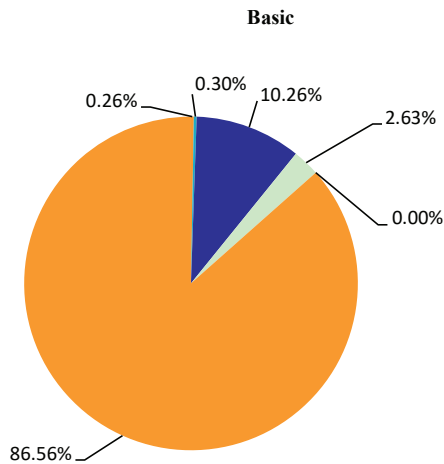


## Asset Allocation

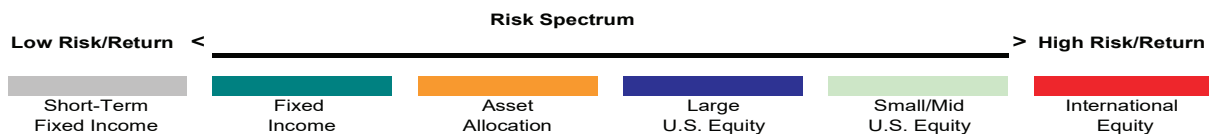
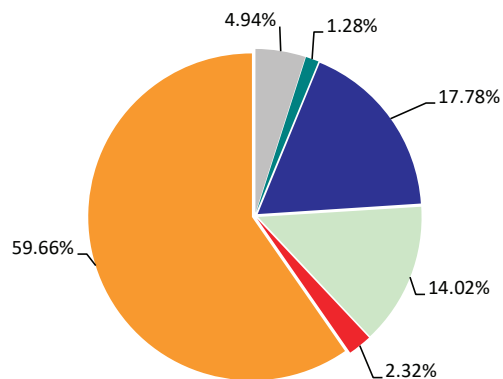
Source: Investment Committee

This chart reflects that the majority of participants prefer investing in the asset allocation funds offered in the investment menu for the Plans. The Plans allows investments into these target date lifetime hybrid funds as well as the full menu of options approved in the investment policy.

### 401(a) Plans



### 457(b) Plan





## Fair Value and Percent of Total Fair Value for Each Investment

Source: Principal Financial Group

	401(a) Plans				457(b) Plan	
	Basic		Supplemental			
	2023	%	2023	%	2023	%
<b>Target-Date Funds:</b>						
<b>Principal Trust (SM) Portfolios:</b>						
<i>Target Date Portfolios</i>						
Income CIT Fund	\$1,067,837	5.76%	\$326,071	2.35%	\$1,162,128	7.32%
2015 CIT Fund	461,478	2.48%	25,360	0.18%	104,639	0.66%
2020 CIT Fund	1,305,660	7.03%	1,066,196	7.68%	966,826	6.09%
2025 CIT Fund	3,628,051	19.53%	2,716,487	19.57%	2,504,174	15.77%
2030 CIT Fund	3,892,943	20.96%	1,591,033	11.46%	2,047,508	12.90%
2035 CIT Fund	2,086,810	11.24%	978,475	7.05%	1,027,367	6.47%
2040 CIT Fund	1,123,888	6.05%	824,132	5.94%	777,116	4.90%
2045 CIT Fund	902,069	4.86%	657,246	4.73%	634,541	4.00%
2050 CIT Fund	492,208	2.65%	197,724	1.42%	126,341	0.80%
2055 CIT Fund	268,533	1.45%	56,993	0.41%	39,497	0.25%
2060 CIT Fund	364,696	1.96%	118,209	0.85%	69,570	0.44%
2065 CIT Fund	478,454	2.58%	1,390	0.01%	9,469	0.06%
2070 CIT Fund	2,161	0.01%				
<b>Individual Separate Accounts and Funds:</b>						
Principal Stable Value Fund	48,005	0.26%	1,023,132	7.37%	784,211	4.94%
Core Plus Bond	89	0.00%	47,034	0.34%	41,168	0.26%
Bond Market Index	56,006	0.30%	22,159	0.16%	44,825	0.28%
U.S. Property Separate Account			71,523	0.52%	117,682	0.74%
LargeCap S&P 500 Index Separate Account	1,583,245	8.52%	1,614,381	11.63%	1,464,831	9.23%
Capital Appreciation Separate Account	89	0.00%	161,329	1.16%	209,323	1.32%
LargeCap Value III Separate Account			43,378	0.31%	33,775	0.21%
LargeCap Growth I Separate Account	89	0.00%	387,772	2.79%	539,399	3.40%
American Century Equity Income R6 Fund			72,636	0.52%	102,616	0.65%
American Funds Growth Fund of America Fund	321,381	1.73%	161,964	1.17%	471,901	2.97%
MidCap Growth III Separate Account			474,406	3.42%	750,936	4.73%
MidCap Value I Separate Account			12,981	0.09%	3,369	0.02%
MidCap S&P 400 Index	203,786	1.10%	147,333	1.06%	196,096	1.24%
SmallCap Growth I Separate Account	80,219	0.43%	455,649	3.28%	573,267	3.61%
SmallCapValue II Separate Account			188,364	1.36%	249,387	1.57%
SmallCap S&P 600 Index Separate Account	204,963	1.10%	259,039	1.87%	452,114	2.85%
Diversified International Separate Account	180	0.00%	12,042	0.09%	4,242	0.03%
American Funds EuroPacific Growth Fund	179	0.00%	168,499	1.21%	367,259	2.29%
	<b>\$18,573,019</b>	<b>100.00%</b>	<b>\$13,882,937</b>	<b>100.00%</b>	<b>\$15,875,577</b>	<b>100.00%</b>

## Investment Performance

Source: Principal Financial Group

Comparisons to benchmarks and peer groups included in fund fact sheets beginning on page 36

### % Rates of Return Through December 31, 2023

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Net Expense Ratio</u>
<b><u>Target-Date Funds:</u></b>					
<b>Principal LifeTime Hybrid Portfolios:</b>					
<i>Target Date Portfolios</i>					
Income CIT Fund	10.87	0.36	4.46	3.59	0.29
2015 CIT Fund	11.19	1.20	5.91	4.75	0.29
2020 CIT Fund	12.26	1.78	6.90	5.43	0.29
2025 CIT Fund	13.39	2.37	7.78	6.04	0.29
2030 CIT Fund	15.12	2.83	8.56	6.54	0.29
2035 CIT Fund	16.59	3.53	9.42	7.07	0.29
2040 CIT Fund	18.38	4.24	10.16	7.50	0.29
2045 CIT Fund	19.62	4.80	10.73	7.82	0.29
2050 CIT Fund	20.50	5.18	11.14	8.08	0.29
2055 CIT Fund	20.49	5.37	11.35	8.19	0.29
2060 CIT Fund	20.46	5.48	11.53	8.36	0.29
2065 CIT Fund (1)	20.42	5.52	11.70		0.29
2070 CIT Fund (2)					0.29

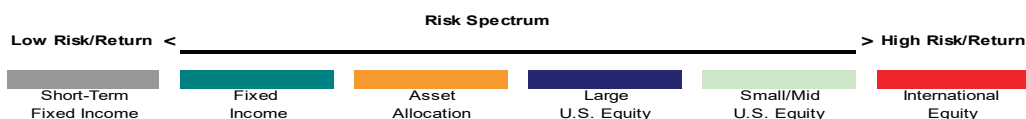
### **Individual Separate Accounts and Funds:**

Principal Stable Value Fund	2.67	2.03	2.10	1.86	0.33
Core Plus Bond Separate Account	5.67	-3.19	1.93	2.30	0.26
Bond Market Index Separate Account	5.68	-3.41	0.98	1.63	0.15
U.S. Property Separate Account	-10.68	4.59	4.14	7.28	0.80
LargeCap S&P 500 Index Separate Account	26.22	9.94	15.62	11.96	0.05
Capital Appreciation Separate Account	25.55	10.56	16.40	12.28	0.36
LargeCap Value III Separate Account	10.18	9.32	11.35	9.02	0.51
LargeCap Growth I Separate Account	40.88	4.38	15.98	13.32	0.39
American Century Equity Income R6 Fund	4.25	5.89	8.46	8.38	0.58
American Funds Growth Fund of America Fund	37.65	4.62	15.27	12.20	0.30
MidCap Growth III Separate Account	20.84	1.10	13.93	9.82	0.60
MidCap Value I Separate Account	11.37	11.32	13.37	8.95	0.49
MidCap S&P 400 Index Separate Account	16.41	8.03	12.54	9.19	0.05
SmallCap Growth I Separate Account	16.92	-3.41	11.46	8.87	0.63
SmallCap Value II Separate Account	20.49	13.35	13.34	8.28	0.65
SmallCap S&P 600 Index Separate Account	15.99	7.10	10.92	8.57	0.05
Diversified International Separate Account	18.52	1.44	8.61	4.79	0.43
American Funds EuroPacific Growth Fund	16.05	-2.66	8.04	4.90	0.47

(1) Inception year is 2018. 10-Year Performance information is not available.

(2) Inception year is 2023. Performance information is not available.

\*Performance calculations are time-weighted rates of return based on market rates of return.



## **Fund Fact Sheets**

*Source: Reprinted with permission from Principal Financial Group*

# Principal LifeTime Hybrid Income CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks current income and, as a secondary objective, capital appreciation. To pursue its goal, this Target Date Fund generally invests in affiliated and may invest in nonaffiliated open-ended mutual funds, insurance company separate accounts, and collective trust funds that Principal Trust considers appropriate based on investors who have reached their investment time horizon.

### Multiple Sub-Advisors

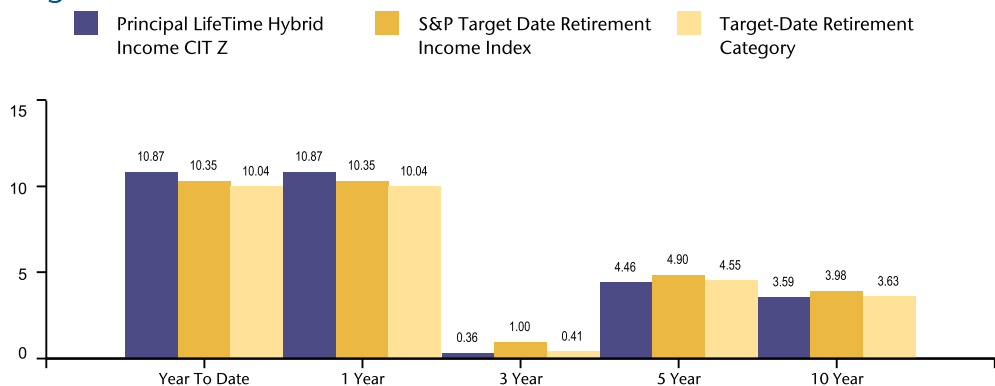
#### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	10.87	10.87	0.36	4.46	3.59
S&P Target Date Retirement Income Index %	10.35	10.35	1.00	4.90	3.98
Target-Date Retirement Category %	10.04	10.04	0.41	4.55	3.63
Morningstar Percentile R rankings	-	37	50	63	57
# of Funds in Category	152	152	146	130	79
Annual Returns	2023	2022	2021	2020	2019
Total Return %	10.87	-13.13	4.96	10.03	11.83
S&P Target Date Retirement Income Index %	10.35	-11.17	5.11	8.81	13.33
Target-Date Retirement Category %	10.04	-12.74	5.51	9.03	12.85
Morningstar Percentile R rankings	37	57	69	33	67
# of Funds in Category	152	161	167	168	183

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date Retirement

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date Retirement Income Index

	3Yr	5Yr
Alpha	-0.44	-0.44
Beta	1.10	1.01
R-Squared	98.91	97.39
Standard Deviation	9.02	8.05
Mean	0.36	4.46
Sharpe Ratio	-0.19	0.34
Excess Return	-0.64	-0.44
Tracking Error	1.22	1.30
Information Ratio	-0.51	-0.33

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$1,101.01



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

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

Principal LifeTime Hybrid CITs, may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime Hybrid CIT approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime Hybrid CIT is regularly re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.

# Principal LifeTime Hybrid Income CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	55.60	2.97	58.57
		U.S. Stocks	24.12	0.00	24.12
		Non-U.S. Stocks	10.39	0.00	10.39
		Non-U.S. Bonds	5.63	0.17	5.80
		Cash	3.96	0.56	4.53
		Other	0.30	0.35	0.65

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Bond Market Index SP	33.49
2. Principal LargeCap S&P 500 Idx SP	18.06
3. Principal Sh Term Inc Fd Cl O	17.17
4. Principal Diversified International R-6	7.04
5. Principal High Income Inst	6.72
6. Principal Inflation Protection Inst	6.15
7. Principal MidCap S&P 400 Index SP	4.33
8. Principal Diversified Real Asset Tier 3	2.49
9. Principal In Strat Eq Fd Cl O	1.42
10. Principal SmallCap S&P 600 Idx SP	1.34
<b>% of net assets in top ten holdings</b>	<b>98.21</b>

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	12
AvgMktCap (mil)	\$69,871.82
Turnover Ratio	35%
AvgEffDur (Yrs)	5.75
P/C Ratio	10.17
P/B Ratio	2.39
P/E Ratio	15.53

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
<b>Cyclical</b>	<b>34.15</b>	<b>Defensive</b>	<b>21.43</b>	<b>Sensitive</b>	<b>44.42</b>	
Consumer Cyclical	11.69	Healthcare	11.15	Technology	20.76	
Basic Materials	3.59	Consumer Defensive	6.78	Industrials	12.22	
Financial Svcs	14.78	Utilities	3.50	Energy	5.50	
Real Estate	4.09			Comm Svcs	5.94	

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid Income CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date Retirement Income Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

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**Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

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## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

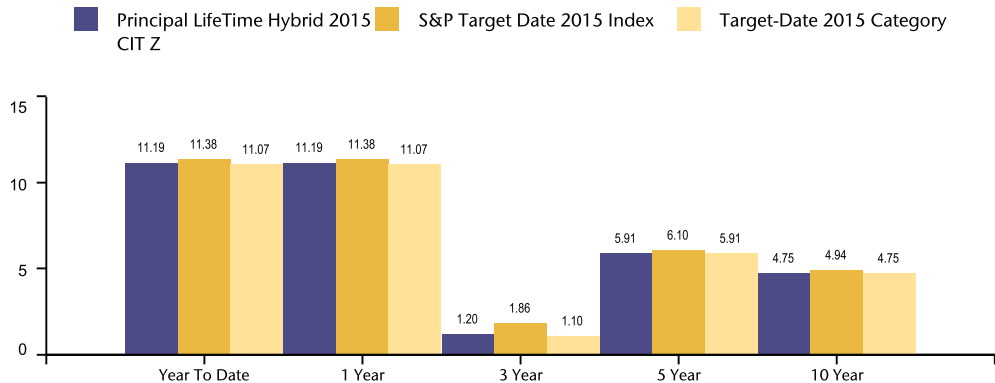
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**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	11.19	11.19	1.20	5.91	4.75
S&P Target Date 2015 Index %	11.38	11.38	1.86	6.10	4.94
Target-Date 2015 Category %	11.07	11.07	1.10	5.91	4.75
Morningstar Percentile R rankings	-	46	52	51	60
# of Funds in Category	112	112	102	97	46
Annual Returns	2023	2022	2021	2020	2019
Total Return %	11.19	-13.61	7.89	11.64	15.19
S&P Target Date 2015 Index %	11.38	-12.16	8.01	10.28	15.40
Target-Date 2015 Category %	11.07	-13.68	7.79	10.75	15.45
Morningstar Percentile R rankings	46	42	46	39	50
# of Funds in Category	112	123	122	118	128

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Target-Date 2015

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2015 Index

	3Yr	5Yr
Alpha	-0.63	-0.19
Beta	1.03	1.00
R-Squared	99.68	99.48
Standard Deviation	9.54	9.34
Mean	1.20	5.91
Sharpe Ratio	-0.09	0.45
Excess Return	-0.66	-0.18
Tracking Error	0.59	0.68
Information Ratio	-1.13	-0.28

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$873.09



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# Principal LifeTime Hybrid 2015 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	54.36	2.92	57.28
		U.S. Stocks	25.21	0.00	25.21
		Non-U.S. Stocks	10.80	0.00	10.80
		Non-U.S. Bonds	5.42	0.17	5.59
		Cash	3.90	0.55	4.46
		Other	0.30	0.35	0.65

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Bond Market Index SP	32.95
2. Principal LargeCap S&P 500 Idx SP	18.89
3. Principal Sh Term Inc Fd Cl O	16.43
4. Principal Diversified International R-6	7.03
5. Principal High Income Inst	6.60
6. Principal Inflation Protection Inst	6.04
7. Principal MidCap S&P 400 Index SP	4.51
8. Principal Diversified Real Asset Tier 3	2.50
9. Principal In Strat Eq Fd Cl O	1.83
10. Principal SmallCap S&P 600 Idx SP	1.38
<b>% of net assets in top ten holdings</b>	<b>98.17</b>

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	12
AvgMktCap (mil)	\$70,474.84
Turnover Ratio	25%
AvgEffDur (Yrs)	5.75
P/C Ratio	10.29
P/B Ratio	2.41
P/E Ratio	15.65

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
<b>Cyclical</b>	<b>34.50</b>	<b>Defensive</b>	<b>20.82</b>	<b>Sensitive</b>	<b>44.68</b>	
Consumer Cyclical	11.83	Healthcare	10.87	Technology	21.37	
Basic Materials	3.58	Consumer Defensive	6.56	Industrials	12.28	
Financial Svcs	14.92	Utilities	3.39	Energy	5.10	
Real Estate	4.17			Comm Svcs	5.93	

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2015 CIT Z.

### Investment and Insurance products are:

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# Principal LifeTime Hybrid 2020 CIT Z as of 12/31/2023

## Investment Strategy

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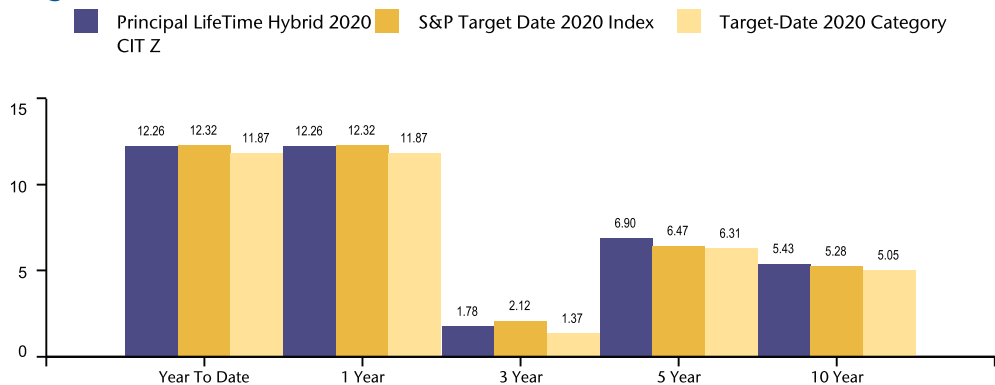
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## Long-term returns % as of 12/31/2023



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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	12.26	12.26	1.78	6.90	5.43
S&P Target Date 2020 Index %	12.32	12.32	2.12	6.47	5.28
Target-Date 2020 Category %	11.87	11.87	1.37	6.31	5.05
Morningstar Percentile R rankings	-	44	27	18	29
# of Funds in Category	144	144	133	128	64
Annual Returns	2023	2022	2021	2020	2019
Total Return %	12.26	-14.37	9.69	12.80	17.36
S&P Target Date 2020 Index %	12.32	-12.81	8.76	10.24	16.52
Target-Date 2020 Category %	11.87	-14.41	8.45	10.79	16.14
Morningstar Percentile R rankings	44	46	27	26	34
# of Funds in Category	144	150	171	178	233

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## Morningstar category

Target-Date 2020

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2020 Index

	3Yr	5Yr
Alpha	-0.30	0.24
Beta	1.04	1.04
R-Squared	99.56	99.57
Standard Deviation	10.49	10.59
Mean	1.78	6.90
Sharpe Ratio	-0.02	0.50
Excess Return	-0.34	0.43
Tracking Error	0.81	0.82
Information Ratio	-0.43	0.52

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$3,466.47



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# Principal LifeTime Hybrid 2020 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	48.20	2.59	50.80
		U.S. Stocks	30.19	0.00	30.19
		Non-U.S. Stocks	12.92	0.00	12.92
		Non-U.S. Bonds	4.68	0.15	4.83
		Cash	3.66	0.49	4.15
		Other	0.34	0.35	0.69

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Bond Market Index SP	31.07
2. Principal LargeCap S&P 500 Idx SP	22.75
3. Principal Sh Term Inc Fd Cl O	12.42
4. Principal Diversified International R-6	8.47
5. Principal High Income Inst	5.84
6. Principal MidCap S&P 400 Index SP	5.44
7. Principal Inflation Protection Inst	5.34
8. Principal Diversified Real Asset Tier 3	2.51
9. Principal In Strat Eq Fd Cl O	2.24
10. Principal SmallCap S&P 600 Idx SP	1.69
<b>% of net assets in top ten holdings</b>	<b>97.76</b>

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	12
AvgMktCap (mil)	\$70,592.71
Turnover Ratio	24%
AvgEffDur (Yrs)	5.76
P/C Ratio	10.21
P/B Ratio	2.41
P/E Ratio	15.53

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
<b>Cyclical</b>	<b>34.00</b>	<b>Defensive</b>	<b>21.34</b>	<b>Sensitive</b>	<b>44.65</b>	
Consumer Cyclical	11.73	Healthcare	11.25	Technology	20.97	
Basic Materials	3.51	Consumer Defensive	6.82	Industrials	12.27	
Financial Svcs	14.91	Utilities	3.27	Energy	5.37	
Real Estate	3.85			Comm Svcs	6.04	

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# Principal LifeTime Hybrid 2025 CIT Z as of 12/31/2023

## Investment Strategy

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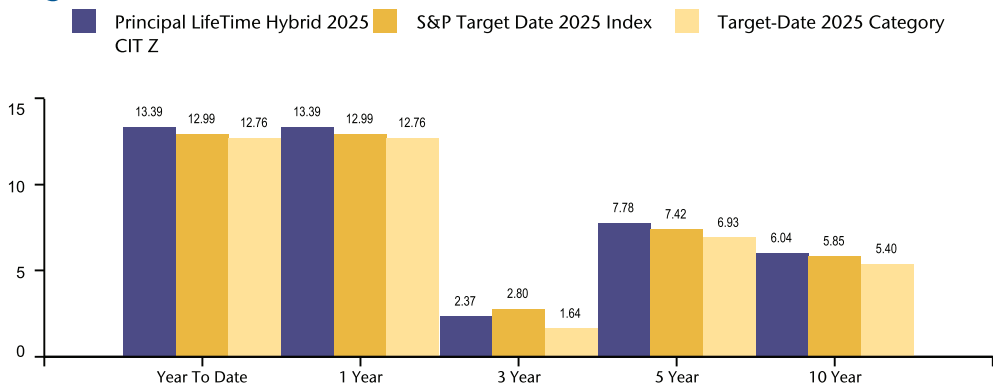
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## Long-term returns % as of 12/31/2023



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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	13.39	13.39	2.37	7.78	6.04
S&P Target Date 2025 Index %	12.99	12.99	2.80	7.42	5.85
Target-Date 2025 Category %	12.76	12.76	1.64	6.93	5.40
Morningstar Percentile R rankings	-	40	13	14	16
# of Funds in Category	208	208	194	177	104
Annual Returns	2023	2022	2021	2020	2019
Total Return %	13.39	-15.20	11.59	13.78	19.15
S&P Target Date 2025 Index %	12.99	-13.13	10.67	11.22	18.38
Target-Date 2025 Category %	12.76	-15.19	9.75	11.84	18.25
Morningstar Percentile R rankings	40	36	16	22	34
# of Funds in Category	208	219	220	214	232

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## Morningstar category

Target-Date 2025

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2025 Index

	3Yr	5Yr
Alpha	-0.39	0.11
Beta	1.08	1.05
R-Squared	99.60	99.51
Standard Deviation	11.53	11.91
Mean	2.37	7.78
Sharpe Ratio	0.04	0.52
Excess Return	-0.43	0.35
Tracking Error	1.10	1.01
Information Ratio	-0.39	0.36

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$5,956.09



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# Principal LifeTime Hybrid 2025 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	41.99	2.28	44.26
		U.S. Stocks	35.37	0.00	35.37
		Non-U.S. Stocks	15.01	0.00	15.01
		Non-U.S. Bonds	3.86	0.13	3.99
		Cash	3.41	0.43	3.84
		Other	0.37	0.36	0.74

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Bond Market Index SP	29.29
2. Principal LargeCap S&P 500 Idx SP	26.73
3. Principal Diversified International R-6	9.84
4. Principal Sh Term Inc Fd Cl O	8.12
5. Principal MidCap S&P 400 Index SP	6.41
6. Principal High Income Inst	5.08
7. Principal Inflation Protection Inst	4.66
8. Principal In Strat Eq Fd Cl O	2.64
9. Principal Diversified Real Asset Tier 3	2.59
10. Principal SmallCap S&P 600 Idx SP	1.98
<b>% of net assets in top ten holdings</b>	<b>97.35</b>

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	12
AvgMktCap (mil)	\$70,864.98
Turnover Ratio	18%
AvgEffDur (Yrs)	5.77
P/C Ratio	10.22
P/B Ratio	2.42
P/E Ratio	15.53

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
<b>Cyclical</b>	<b>33.98</b>	<b>Defensive</b>	<b>21.29</b>	<b>Sensitive</b>	<b>44.72</b>	
Consumer Cyclical	11.77	Healthcare	11.29	Technology	21.06	
Basic Materials	3.50	Consumer Defensive	6.84	Industrials	12.27	
Financial Svcs	14.95	Utilities	3.16	Energy	5.32	
Real Estate	3.76			Comm Svcs	6.07	

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2025 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2025 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index.

**Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2030 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

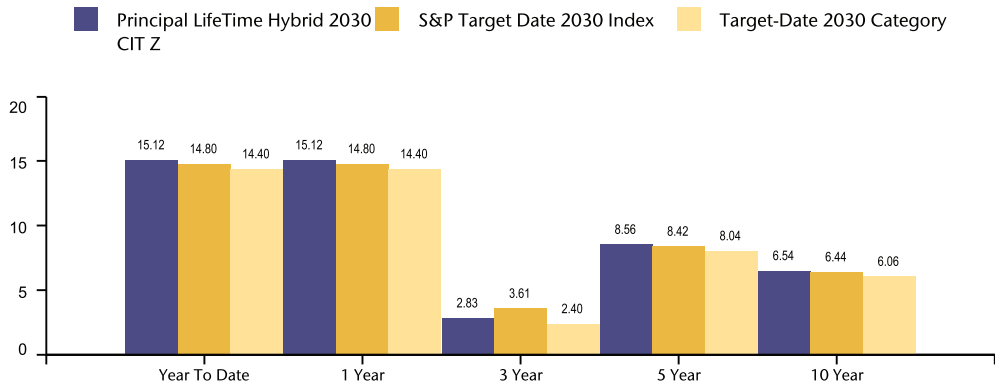
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	15.12	15.12	2.83	8.56	6.54
S&P Target Date 2030 Index %	14.80	14.80	3.61	8.42	6.44
Target-Date 2030 Category %	14.40	14.40	2.40	8.04	6.06
Morningstar Percentile R rankings	-	39	24	26	26
# of Funds in Category	211	211	196	175	102
Annual Returns	2023	2022	2021	2020	2019
Total Return %	15.12	-16.74	13.44	14.75	20.86
S&P Target Date 2030 Index %	14.80	-13.96	12.61	11.91	20.38
Target-Date 2030 Category %	14.40	-16.01	11.68	12.99	20.07
Morningstar Percentile R rankings	39	62	14	22	41
# of Funds in Category	211	221	221	224	241

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2030

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2030 Index

	3Yr	5Yr
Alpha	-0.78	-0.05
Beta	1.07	1.03
R-Squared	99.53	99.37
Standard Deviation	12.91	13.37
Mean	2.83	8.56
Sharpe Ratio	0.09	0.53
Excess Return	-0.78	0.14
Tracking Error	1.24	1.15
Information Ratio	-0.63	0.11

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$9,947.07



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# Principal LifeTime Hybrid 2030 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	40.86	0.00	40.86
		U.S. Bonds	34.85	0.00	34.85
		Non-U.S. Stocks	16.90	0.00	16.90
		Non-U.S. Bonds	3.07	0.00	3.07
		Other	2.49	0.00	2.49
		Cash	1.84	0.03	1.87
0	25	50			

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Bond Market Index SP	33.68
2. Principal LargeCap S&P 500 Idx SP	31.55
3. Principal Diversified International R-6	11.62
4. Principal MidCap S&P 400 Index SP	7.60
5. Principal High Income Inst	4.66
6. Principal In Strat Eq Fd Cl 0	3.14
7. Principal SmallCap S&P 600 Idx SP	2.37
8. Principal Lifetime Hybrid Collective Inv	2.19
9. Principal Origin Emerging Markets R6	1.62
10. Principal International SmallCap SP	1.56
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,436.53
Turnover Ratio	13%
AvgEffDur (Yrs)	5.75
P/C Ratio	10.32
P/B Ratio	2.46
P/E Ratio	15.50

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.87</b>	<b>Defensive</b>	<b>20.96</b>	<b>Sensitive</b>	<b>45.18</b>
Consumer Cyclical	12.11	Healthcare	11.63	Technology	21.67
Basic Materials	3.40	Consumer Defensive	7.01	Industrials	12.29
Financial Svcs	15.42	Utilities	2.32	Energy	4.97
Real Estate	2.94			Comm Svcs	6.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2030 CIT Z.

### Investment and Insurance products are:

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2035 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

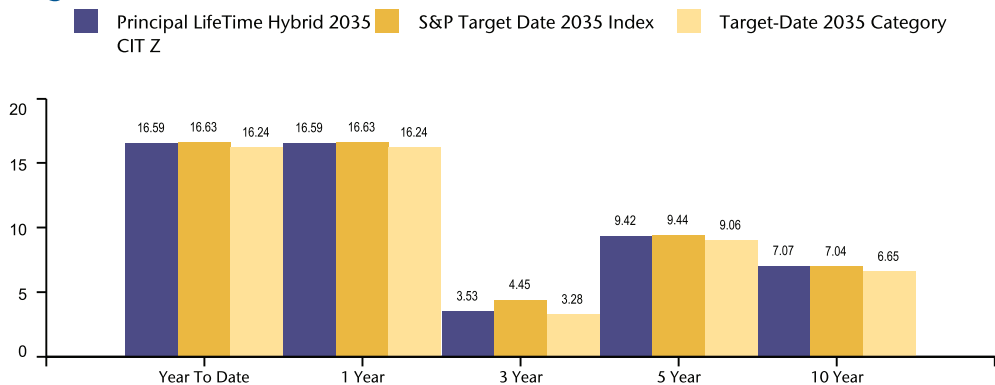
### Portfolio managers

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**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	16.59	16.59	3.53	9.42	7.07
S&P Target Date 2035 Index %	16.63	16.63	4.45	9.44	7.04
Target-Date 2035 Category %	16.24	16.24	3.28	9.06	6.65
Morningstar Percentile R rankings	-	47	30	34	30
# of Funds in Category	207	207	187	174	101
Annual Returns	2023	2022	2021	2020	2019
Total Return %	16.59	-17.36	15.19	15.24	22.63
S&P Target Date 2035 Index %	16.63	-14.99	14.93	12.79	22.18
Target-Date 2035 Category %	16.24	-16.92	13.76	14.04	22.04
Morningstar Percentile R rankings	47	57	15	36	36
# of Funds in Category	207	212	213	207	229

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2035

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2035 Index

	3Yr	5Yr
Alpha	-0.92	-0.01
Beta	1.03	1.00
R-Squared	99.53	99.35
Standard Deviation	14.00	14.61
Mean	3.53	9.42
Sharpe Ratio	0.14	0.55
Excess Return	-0.92	-0.01
Tracking Error	1.06	1.18
Information Ratio	-0.87	-0.02

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$7,321.25



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# Principal LifeTime Hybrid 2035 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	46.88	0.00	46.88
		U.S. Bonds	26.83	0.00	26.83
		Non-U.S. Stocks	19.35	0.00	19.35
		Other	2.61	0.00	2.61
		Non-U.S. Bonds	2.38	0.00	2.38
		Cash	1.95	0.03	1.98
0	25	50			

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	36.20
2. Principal Bond Market Index SP	25.37
3. Principal Diversified International R-6	13.20
4. Principal MidCap S&P 400 Index SP	8.74
5. Principal High Income Inst	4.17
6. Principal In Strat Eq Fd Cl O	3.78
7. Principal SmallCap S&P 600 Idx SP	2.70
8. Principal Lifetime Hybrid Collective Inv	2.28
9. Principal Origin Emerging Markets R6	1.85
10. Principal International SmallCap SP	1.72
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,650.76
Turnover Ratio	7%
AvgEffDur (Yrs)	5.70
P/C Ratio	10.33
P/B Ratio	2.46
P/E Ratio	15.51

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.82</b>	<b>Defensive</b>	<b>20.97</b>	<b>Sensitive</b>	<b>45.21</b>
Consumer Cyclical	12.09	Healthcare	11.64	Technology	21.69
Basic Materials	3.38	Consumer Defensive	7.01	Industrials	12.30
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.93			Comm Svcs	6.26

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2035 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2035 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2040 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

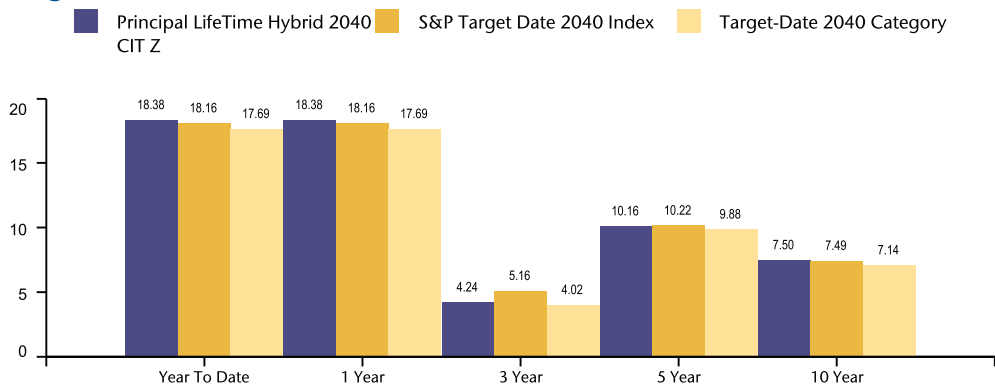
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**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	18.38	18.38	4.24	10.16	7.50
S&P Target Date 2040 Index %	18.16	18.16	5.16	10.22	7.49
Target-Date 2040 Category %	17.69	17.69	4.02	9.88	7.14
Morningstar Percentile R rankings	-	44	42	37	34
# of Funds in Category	205	205	190	175	102
Annual Returns	2023	2022	2021	2020	2019
Total Return %	18.38	-17.94	16.60	15.62	23.85
S&P Target Date 2040 Index %	18.16	-15.56	16.55	13.37	23.37
Target-Date 2040 Category %	17.69	-17.32	15.47	14.56	23.19
Morningstar Percentile R rankings	44	56	19	38	44
# of Funds in Category	205	216	215	218	241

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2040

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2040 Index

	3Yr	5Yr
Alpha	-0.92	-0.03
Beta	1.04	1.00
R-Squared	99.45	99.30
Standard Deviation	15.17	15.77
Mean	4.24	10.16
Sharpe Ratio	0.19	0.57
Excess Return	-0.92	-0.05
Tracking Error	1.24	1.32
Information Ratio	-0.74	-0.04

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$8,659.59



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

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

Principal LifeTime Hybrid CITs, may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime Hybrid CIT approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime Hybrid CIT is regularly re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.



# Principal LifeTime Hybrid 2040 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	54.68	0.00	54.68
		Non-U.S. Stocks	22.59	0.00	22.59
		U.S. Bonds	16.50	0.00	16.50
		Other	2.65	0.00	2.65
		Cash	2.09	0.02	2.11
		Non-U.S. Bonds	1.48	0.00	1.48
0	25	50	75		

Top ten holdings as of 11/30/2023	% of net assets
1. Principal LargeCap S&P 500 Idx SP	42.24
2. Principal Diversified International R-6	15.51
3. Principal Bond Market Index SP	15.19
4. Principal MidCap S&P 400 Index SP	10.17
5. Principal In Strat Eq Fd Cl O	4.30
6. Principal SmallCap S&P 600 Idx SP	3.16
7. Principal High Income Inst	2.99
8. Principal Lifetime Hybrid Collective Inv	2.26
9. Principal Origin Emerging Markets R6	2.13
10. Principal International SmallCap SP	2.05
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,609.61
Turnover Ratio	5%
AvgEffDur (Yrs)	5.65
P/C Ratio	10.33
P/B Ratio	2.46
P/E Ratio	15.51

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.84</b>	<b>Defensive</b>	<b>20.97</b>	<b>Sensitive</b>	<b>45.18</b>
Consumer Cyclical	12.10	Healthcare	11.64	Technology	21.67
Basic Materials	3.39	Consumer Defensive	7.01	Industrials	12.30
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.93			Comm Svcs	6.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2040 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2040 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Projected Earnings Ratio** - The ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Book (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated book value per share (BPS) for the current fiscal year. Book value is the total assets of a company, less total liabilities. Morningstar calculates internal estimates for the current year BPS based on the most recently reported BPS and average historical book value growth rates.

**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2045 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

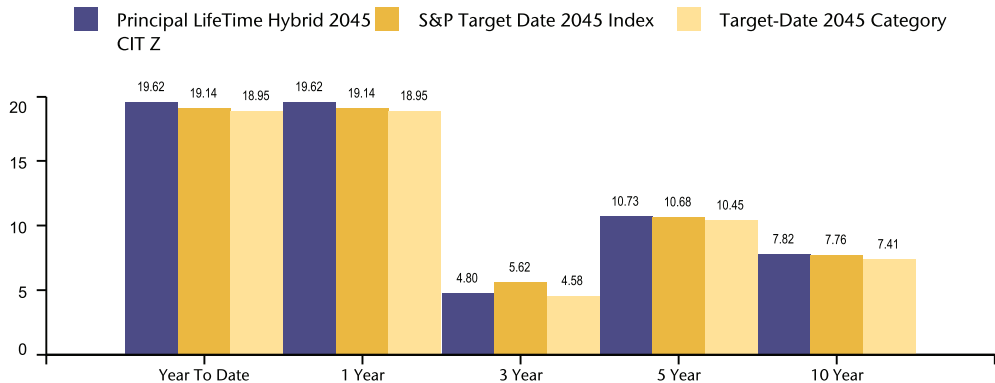
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns		Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %		19.62	19.62	4.80	10.73	7.82
S&P Target Date 2045 Index %		19.14	19.14	5.62	10.68	7.76
Target-Date 2045 Category %		18.95	18.95	4.58	10.45	7.41
Morningstar Percentile R rankings		-	42	34	40	30
# of Funds in Category		201	201	187	174	101
Annual Returns		2023	2022	2021	2020	2019
Total Return %		19.62	-18.35	17.85	15.84	24.80
S&P Target Date 2045 Index %		19.14	-15.84	17.51	13.66	24.02
Target-Date 2045 Category %		18.95	-17.75	16.63	15.10	24.35
Morningstar Percentile R rankings		42	63	18	45	47
# of Funds in Category		201	212	213	207	229

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2045

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2045 Index

	3Yr	5Yr
Alpha	-0.85	-0.02
Beta	1.05	1.01
R-Squared	99.37	99.29
Standard Deviation	16.07	16.70
Mean	4.80	10.73
Sharpe Ratio	0.22	0.58
Excess Return	-0.82	0.04
Tracking Error	1.46	1.42
Information Ratio	-0.55	0.03

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$6,008.75



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# Principal LifeTime Hybrid 2045 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	60.13	0.00	60.13
		Non-U.S. Stocks	24.85	0.00	24.85
		U.S. Bonds	9.31	0.00	9.31
		Other	2.67	0.00	2.67
		Cash	2.19	0.02	2.21
		Non-U.S. Bonds	0.85	0.00	0.85

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	46.43
2. Principal Diversified International R-6	16.93
3. Principal MidCap S&P 400 Index SP	11.19
4. Principal Bond Market Index SP	8.16
5. Principal In Strat Eq Fd Cl O	4.84
6. Principal SmallCap S&P 600 Idx SP	3.48
7. Principal Origin Emerging Markets R6	2.36
8. Principal International SmallCap SP	2.26
9. Principal Lifetime Hybrid Collective Inv	2.25
10. Principal High Income Inst	2.10
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,467.00
Turnover Ratio	5%
AvgEffDur (Yrs)	5.55
P/C Ratio	10.33
P/B Ratio	2.46
P/E Ratio	15.51

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.85</b>	<b>Defensive</b>	<b>20.96</b>	<b>Sensitive</b>	<b>45.20</b>
Consumer Cyclical	12.10	Healthcare	11.63	Technology	21.67
Basic Materials	3.39	Consumer Defensive	7.01	Industrials	12.31
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.94			Comm Svcs	6.26

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2045 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2045 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2050 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

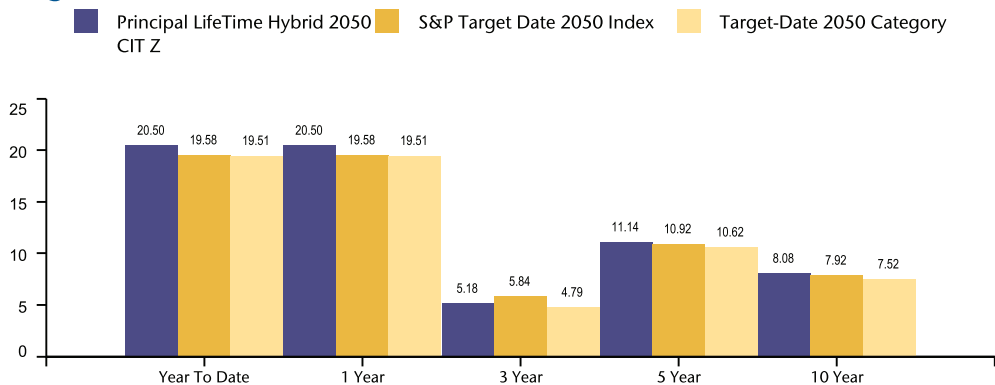
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	20.50	20.50	5.18	11.14	8.08
S&P Target Date 2050 Index %	19.58	19.58	5.84	10.92	7.92
Target-Date 2050 Category %	19.51	19.51	4.79	10.62	7.52
Morningstar Percentile R rankings	-	33	28	23	14
# of Funds in Category	202	202	188	175	102
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.50	-18.57	18.60	16.03	25.57
S&P Target Date 2050 Index %	19.58	-15.97	17.99	13.86	24.35
Target-Date 2050 Category %	19.51	-17.98	17.12	15.25	24.54
Morningstar Percentile R rankings	33	59	13	43	31
# of Funds in Category	202	213	215	217	241

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Target-Date 2050

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2050 Index

	3Yr	5Yr
Alpha	-0.75	0.01
Beta	1.06	1.03
R-Squared	99.33	99.31
Standard Deviation	16.61	17.32
Mean	5.18	11.14
Sharpe Ratio	0.24	0.58
Excess Return	-0.66	0.21
Tracking Error	1.65	1.51
Information Ratio	-0.41	0.14

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$6,694.83



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# Principal LifeTime Hybrid 2050 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	64.44	0.00	64.44
		Non-U.S. Stocks	26.64	0.00	26.64
		U.S. Bonds	3.63	0.00	3.63
		Other	2.69	0.00	2.69
		Cash	2.26	0.02	2.28
		Non-U.S. Bonds	0.34	0.00	0.34
0	25	50	75		

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	49.74
2. Principal Diversified International R-6	18.30
3. Principal MidCap S&P 400 Index SP	12.00
4. Principal In Strat Eq Fd Cl O	5.01
5. Principal SmallCap S&P 600 Idx SP	3.75
6. Principal Bond Market Index SP	2.96
7. Principal Origin Emerging Markets R6	2.55
8. Principal International SmallCap SP	2.42
9. Principal Lifetime Hybrid Collective Inv	2.24
10. Principal High Income Inst	1.03
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,437.63
Turnover Ratio	4%
AvgEffDur (Yrs)	5.43
P/C Ratio	10.32
P/B Ratio	2.46
P/E Ratio	15.51

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.86</b>	<b>Defensive</b>	<b>20.96</b>	<b>Sensitive</b>	<b>45.18</b>
Consumer Cyclical	12.11	Healthcare	11.63	Technology	21.67
Basic Materials	3.39	Consumer Defensive	7.01	Industrials	12.30
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.94			Comm Svcs	6.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2050 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2050 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Projected Earnings Ratio** - The ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Book (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated book value per share (BPS) for the current fiscal year. Book value is the total assets of a company, less total liabilities. Morningstar calculates internal estimates for the current year BPS based on the most recently reported BPS and average historical book value growth rates.

**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2055 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

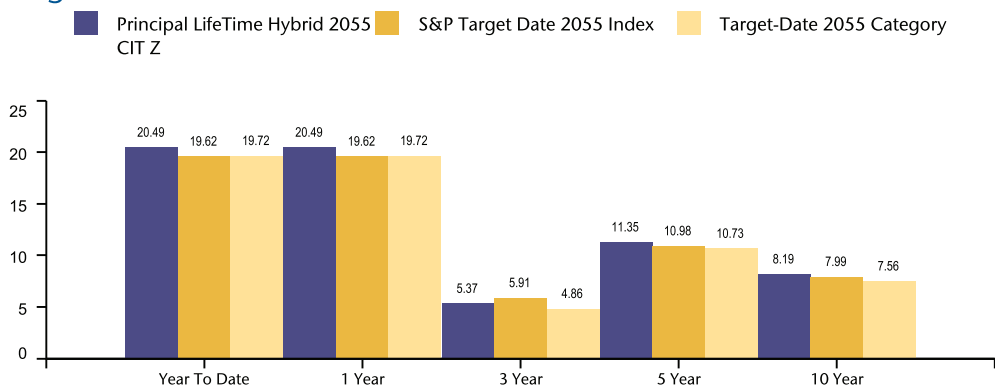
### Portfolio managers

**James W. Fennessey**, CFA. Since 07/07/2009. B.S., Truman State University

**Randy L. Welch** Since 07/07/2009. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

*Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.*

*Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.*

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	20.49	20.49	5.37	11.35	8.19
S&P Target Date 2055 Index %	19.62	19.62	5.91	10.98	7.99
Target-Date 2055 Category %	19.72	19.72	4.86	10.73	7.56
Morningstar Percentile R rankings	-	39	22	17	13
# of Funds in Category	201	201	187	174	87
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.49	-18.56	19.22	15.93	26.24
S&P Target Date 2055 Index %	19.62	-15.97	18.19	13.86	24.48
Target-Date 2055 Category %	19.72	-18.08	17.30	15.47	24.91
Morningstar Percentile R rankings	39	58	10	47	15
# of Funds in Category	201	212	213	207	229

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Target-Date 2055

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2055 Index

	3Yr	5Yr
Alpha	-0.62	0.10
Beta	1.06	1.04
R-Squared	99.32	99.38
Standard Deviation	16.66	17.59
Mean	5.37	11.35
Sharpe Ratio	0.25	0.59
Excess Return	-0.54	0.37
Tracking Error	1.65	1.51
Information Ratio	-0.32	0.25

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	07/07/2009
Total Net Assets (mil)	\$3,794.15



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

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*Principal LifeTime Hybrid CITs, may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal LifeTime Hybrid CIT approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal LifeTime Hybrid CIT is regularly re-adjusted within a time frame that extends 15 years beyond the target date, at which point it reaches its most conservative allocation. Principal LifeTime Hybrid CITs assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal LifeTime Hybrid CITs are guaranteed at any time, including the target date. Investment risk remains at all times.*

# Principal LifeTime Hybrid 2055 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	64.43	0.00	64.43
		Non-U.S. Stocks	26.62	0.00	26.62
		U.S. Bonds	3.65	0.00	3.65
		Other	2.69	0.00	2.69
		Cash	2.26	0.02	2.28
		Non-U.S. Bonds	0.34	0.00	0.34
0	25	50	75		

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	49.69
2. Principal Diversified International R-6	18.07
3. Principal MidCap S&P 400 Index SP	12.01
4. Principal In Strat Eq Fd Cl O	5.22
5. Principal SmallCap S&P 600 Idx SP	3.77
6. Principal Bond Market Index SP	2.98
7. Principal Origin Emerging Markets R6	2.54
8. Principal International SmallCap SP	2.44
9. Principal Lifetime Hybrid Collective Inv	2.24
10. Principal High Income Inst	1.03
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,244.00
Turnover Ratio	4%
AvgEffDur (Yrs)	5.43
P/C Ratio	10.32
P/B Ratio	2.46
P/E Ratio	15.51

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.85</b>	<b>Defensive</b>	<b>20.96</b>	<b>Sensitive</b>	<b>45.19</b>
Consumer Cyclical	12.10	Healthcare	11.63	Technology	21.67
Basic Materials	3.39	Consumer Defensive	7.01	Industrials	12.31
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.94			Comm Svcs	6.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2055 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2055 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2060 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

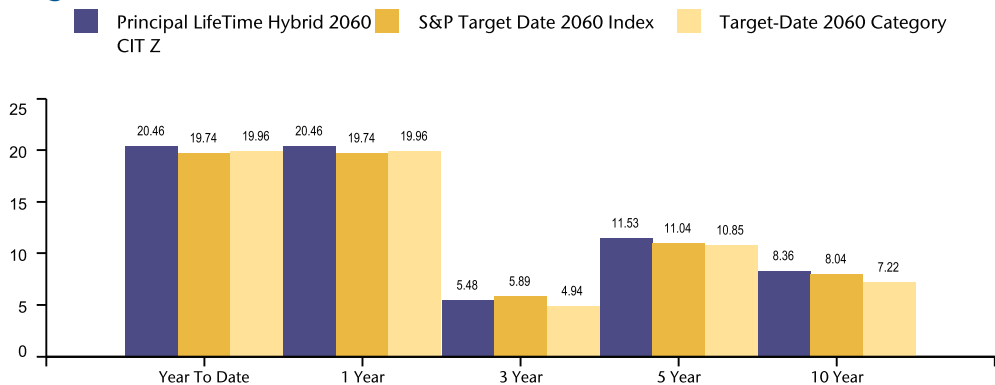
### Portfolio managers

**James W. Fennessey**, CFA. Since 01/02/2014. B.S., Truman State University

**Randy L. Welch** Since 01/02/2014. M.B.A., Drake University

**Scott W. Smith** Since 05/02/2017. B.S., Iowa State University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	20.46	20.46	5.48	11.53	8.36
S&P Target Date 2060 Index %	19.74	19.74	5.89	11.04	8.04
Target-Date 2060 Category %	19.96	19.96	4.94	10.85	7.22
Morningstar Percentile R rankings	-	41	21	11	-
# of Funds in Category	200	200	181	162	8
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.46	-18.52	19.57	16.20	26.53
S&P Target Date 2060 Index %	19.74	-16.01	18.05	13.99	24.73
Target-Date 2060 Category %	19.96	-18.08	17.47	15.52	25.15
Morningstar Percentile R rankings	41	57	10	43	15
# of Funds in Category	200	212	208	257	216

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2060

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2060 Index

	3Yr	5Yr
Alpha	-0.48	0.16
Beta	1.06	1.04
R-Squared	99.31	99.43
Standard Deviation	16.66	17.75
Mean	5.48	11.53
Sharpe Ratio	0.25	0.59
Excess Return	-0.41	0.49
Tracking Error	1.64	1.52
Information Ratio	-0.24	0.32

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	01/01/2014
Total Net Assets (mil)	\$2,189.58



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# Principal LifeTime Hybrid 2060 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	64.41	0.00	64.41
		Non-U.S. Stocks	26.61	0.00	26.61
		U.S. Bonds	3.67	0.00	3.67
		Other	2.69	0.00	2.69
		Cash	2.26	0.02	2.28
		Non-U.S. Bonds	0.34	0.00	0.34
0	25	50	75		

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	49.65
2. Principal Diversified International R-6	18.06
3. Principal MidCap S&P 400 Index SP	12.01
4. Principal In Strat Eq Fd Cl O	5.22
5. Principal SmallCap S&P 600 Idx SP	3.78
6. Principal Bond Market Index SP	3.00
7. Principal Origin Emerging Markets R6	2.54
8. Principal International SmallCap SP	2.44
9. Principal Lifetime Hybrid Collective Inv	2.25
10. Principal High Income Inst	1.04
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$73,148.86
Turnover Ratio	6%
AvgEffDur (Yrs)	5.43
P/C Ratio	10.32
P/B Ratio	2.46
P/E Ratio	15.50

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.86</b>	<b>Defensive</b>	<b>20.96</b>	<b>Sensitive</b>	<b>45.19</b>
Consumer Cyclical	12.10	Healthcare	11.63	Technology	21.66
Basic Materials	3.39	Consumer Defensive	7.01	Industrials	12.32
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	2.95			Comm Svcs	6.25

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2060 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2060 Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# Principal LifeTime Hybrid 2065 CIT Z as of 12/31/2023

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

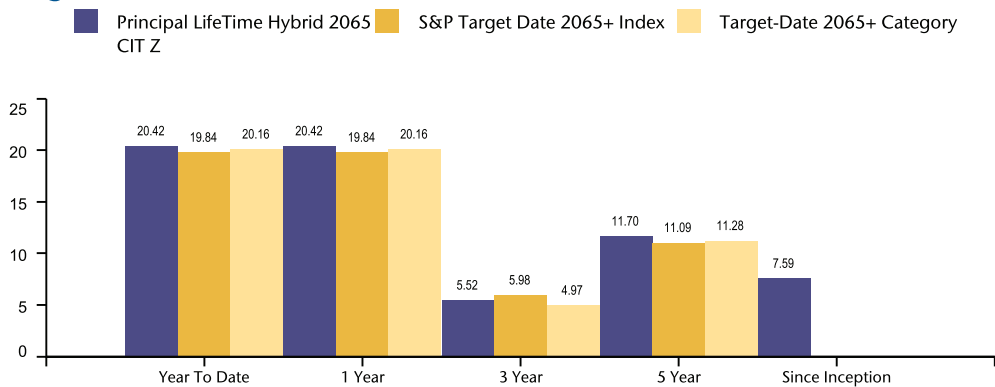
### Portfolio managers

**Scott W. Smith** Since 01/02/2018. B.S., Iowa State University

**James W. Fennessey, CFA.** Since 01/02/2018. B.S., Truman State University

**Randy L. Welch** Since 01/02/2018. M.B.A., Drake University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	Since Inception
Total Return %	20.42	20.42	5.52	11.70	7.59
S&P Target Date 2065+ Index %	19.84	19.84	5.98	11.09	-
Target-Date 2065+ Category %	20.16	20.16	4.97	11.28	-
Morningstar Percentile R rankings	-	51	25	25	-
# of Funds in Category	175	175	123	9	-
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.42	-18.48	19.70	16.71	26.79
S&P Target Date 2065+ Index %	19.84	-15.95	18.17	-	-
Target-Date 2065+ Category %	20.16	-18.31	17.61	15.91	25.95
Morningstar Percentile R rankings	51	45	15	24	22
# of Funds in Category	175	162	134	53	17

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Target-Date 2065+

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2065+ Index

	3Yr	5Yr
Alpha	-0.54	0.23
Beta	1.06	1.05
R-Squared	99.34	99.45
Standard Deviation	16.67	17.79
Mean	5.52	11.70
Sharpe Ratio	0.26	0.60
Excess Return	-0.46	0.61
Tracking Error	1.63	1.53
Information Ratio	-0.27	0.40

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	01/01/2018
Total Net Assets (mil)	\$638.12



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# Principal LifeTime Hybrid 2065 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	64.37	0.00	64.37
		Non-U.S. Stocks	26.59	0.00	26.59
		U.S. Bonds	3.72	0.00	3.72
		Other	2.71	0.00	2.71
		Cash	2.26	0.02	2.28
		Non-U.S. Bonds	0.35	0.00	0.35
0	25	50	75		

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	49.58
2. Principal Diversified International R-6	17.89
3. Principal MidCap S&P 400 Index SP	12.02
4. Principal In Strat Eq Fd Cl O	5.36
5. Principal SmallCap S&P 600 Idx SP	3.80
6. Principal Bond Market Index SP	3.04
7. Principal Origin Emerging Markets R6	2.54
8. Principal International SmallCap SP	2.46
9. Principal Lifetime Hybrid Collective Inv	2.26
10. Principal High Income Inst	1.05
% of net assets in top ten holdings	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$72,931.54
Turnover Ratio	50%
AvgEffDur (Yrs)	5.43
P/C Ratio	10.31
P/B Ratio	2.46
P/E Ratio	15.50

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>33.83</b>	<b>Defensive</b>	<b>20.95</b>	<b>Sensitive</b>	<b>45.20</b>
Consumer Cyclical	12.09	Healthcare	11.63	Technology	21.66
Basic Materials	3.38	Consumer Defensive	7.00	Industrials	12.33
Financial Svcs	15.41	Utilities	2.32	Energy	4.95
Real Estate	2.95			Comm Svcs	6.26

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal LifeTime Hybrid 2065 CIT Z.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

S&P Target Date 2065+ Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

**Average Market Cap** - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Cash Flow (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Projected Earnings Ratio** - The ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result. **Price/Book (projected) Ratio** - The ratio of the company's most recent month-end share price to the company's estimated book value per share (BPS) for the current fiscal year. Book value is the total assets of a company, less total liabilities. Morningstar calculates internal estimates for the current year BPS based on the most recently reported BPS and average historical book value growth rates.

**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

## Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated open-ended mutual funds, insurance company separate accounts, unaffiliated mutual funds, and unaffiliated collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund.

## Multiple Sub-Advisors

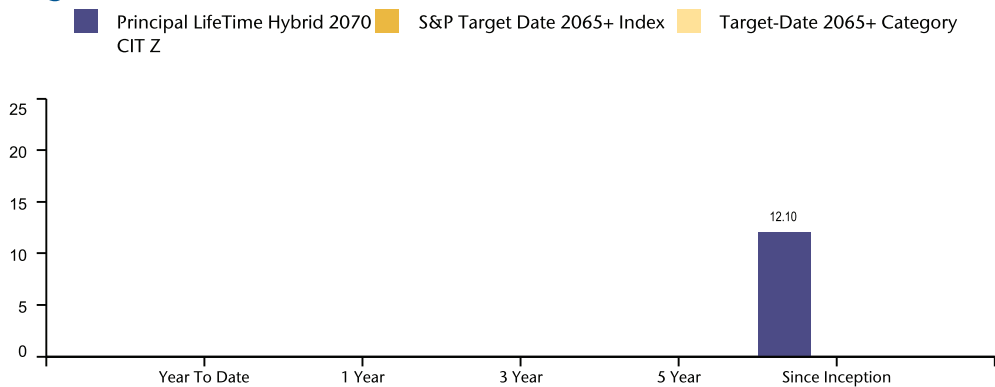
### Portfolio managers

**Scott W. Smith** Since 06/01/2023. B.S., Iowa State University

**James W. Fennessey, CFA.** Since 06/01/2023. B.S., Truman State University

**Randy L. Welch** Since 06/01/2023. M.B.A., Drake University

## Long-term returns % as of 12/31/2023



## Performance disclosure

**Past performance is not a guarantee of future results.** Fund performance shown is after deduction of (i) the fund's actual operating expenses and (ii) the trustee fee equivalent to that charged in the highest cost fee class for each of the Funds and includes reinvestment of dividends, interest, capital gains and other earnings. Actual fund performance can vary depending on the fee class available for purchase. Fund operating expenses will vary and trustee fees are subject to change. Fees charged by varying fee class options, including service provider offset fees, may differ and as a result, investors in varying fee class options of the Fund may obtain higher or lower net returns, if the Fund offers varying fee classes. Periods over one year are annualized. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. For more information, contact us at 1-800-787-1621, option 6.

*Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.*

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	Since Inception
Total Return %	-	-	-	-	12.10
S&P Target Date 2065+ Index %	19.84	19.84	5.98	11.09	-
Target-Date 2065+ Category %	20.16	20.16	4.97	11.28	-
Morningstar Percentile Rankings	-	-	-	-	-
# of Funds in Category	175	175	123	9	-
Annual Returns	2023	2022	2021	2020	2019
Total Return %	-	-	-	-	-
S&P Target Date 2065+ Index %	19.84	-15.95	18.17	-	-
Target-Date 2065+ Category %	20.16	-18.31	17.61	15.91	25.95
Morningstar Percentile Rankings	-	-	-	-	-
# of Funds in Category	175	162	134	53	17

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Target-Date 2065+

## Risk and Return Statistics

as of 12/31/2023 Relative to S&P Target Date 2065+ Index

	3Yr	5Yr
Alpha	-	-
Beta	-	-
R-Squared	-	-
Standard Deviation	-	-
Mean	-	-
Sharpe Ratio	-	-
Excess Return	-	-
Tracking Error	-	-
Information Ratio	-	-

## Operations

Total Investment Expense Net	0.29%
Total Investment Expense Gross	0.29%
Inception Date	06/01/2023
Total Net Assets (mil)	\$30.81



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

# Principal LifeTime Hybrid 2070 CIT Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution	Asset Type	Net %	Short %	Long %
	U.S. Stocks	64.26	0.00	64.26
	Non-U.S. Stocks	26.51	0.00	26.51
	U.S. Bonds	3.83	0.00	3.83
	Other	2.79	0.00	2.79
	Cash	2.25	0.02	2.27
	Non-U.S. Bonds	0.36	0.00	0.36
0 25 50 75				

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal LargeCap S&P 500 Idx SP	48.67
2. Principal Diversified International R-6	17.55
3. Principal MidCap S&P 400 Index SP	12.28
4. Principal In Strat Eq Fd Cl O	5.49
5. Principal SmallCap S&P 600 Idx SP	4.33
6. Principal Bond Market Index SP	3.15
7. Principal International SmallCap SP	2.58
8. Principal Origin Emerging Markets R6	2.53
9. Principal Lifetime Hybrid Collective Inv	2.37
10. Principal High Income Inst	1.06
% of net assets in top ten holdings*	100.00

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$69,950.39
P/C Ratio	10.23
P/E Ratio	15.45
P/B Ratio	2.44

## Stock Sector Breakdown

	% of assets		% of assets		% of assets
<b>Cyclical</b>	<b>33.97</b>	<b>Defensive</b>	<b>20.90</b>	<b>Sensitive</b>	<b>45.13</b>
Consumer Cyclical	12.12	Healthcare	11.59	Technology	21.52
Basic Materials	3.41	Consumer Defensive	6.99	Industrials	12.44
Financial Svcs	15.42	Utilities	2.32	Energy	4.96
Real Estate	3.02			Comm Svcs	6.21

The percentages shown above are based on the Fund's Market Value rather than Net Asset Value. There may be percentage differences attributable to differing Fund valuations.

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

The collective investment trust named above (the Fund) is a collective investment trust maintained by Principal Global Investors Trust Company, (the Trust Company). The Trust Company has retained Principal Global Investors (the Adviser), to serve as investment adviser with respect to the Fund, subject to the Trust Company's supervision and review. The Adviser is an indirect wholly owned subsidiary of Principal Financial Group® and is under common control with the Trust Company.

The Fund is not a mutual fund and is not registered with the Securities and Exchange Commission, the State of Oregon, or any other regulatory body. Units of the Fund are not deposits or obligations of, guaranteed by, or insured by the Trust Company or any affiliate, and are not insured by the FDIC or any other federal or state government agency. The value of the Fund will fluctuate so that when redeemed, units may be worth more or less than the original cost.

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

*The Fund is available only to certain qualified retirement plans and governmental 457(b) plans.*

*The declaration of trust, participation agreement, and disclosure documents contain important information about investment objectives, risks, fees and expenses associated with investment in the Fund and should be read carefully before investing.*

*All figures shown in this document are in U.S. dollars unless otherwise noted.*

S&P Target Date 2065+ Index provides varying levels of exposure to equities and fixed income. Each target date allocation is created and retired according to a pre-determined schedule related to the respective target date.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta).

**Beta** - An investment's sensitivity to market movements.

**R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index.

**Standard Deviation** - Measures how much an investment's returns are likely to fluctuate.

**Mean** - Represents the annualized total return for a fund over 3 and 5 years.

**Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance.

# Principal Stable Value Fund

Z Class

DECEMBER 31, 2023

## FUND PROFILE

Assets	\$6,150,292,522
Crediting rate <sup>1</sup>	2.76%
Average duration <sup>2</sup>	3.30 years
Market/book value ratio <sup>3</sup>	94.05%
Turnover ratio (updated annually) <sup>4</sup>	1.92%
Inception date	January 1997

## FUND COMPOSITION

Cash	2.17%
GIC	2.00%
Separate account contracts	18.21%
Synthetic investment contracts	77.61%

## TRUSTEE/ADVISER FEE<sup>11</sup>

8 basis points

## INVESTMENT CONTRACT ISSUERS

Prudential Ins Co of America	15.16%
Metropolitan Tower Life Ins Co	15.00%
Massachusetts Mutual Life Ins Co	11.05%
Transamerica Life Ins Co	10.55%
State Street Bank	9.59%
RGA Reinsurance Co	9.49%
Pacific Life Insurance Company	9.49%
American General Life Ins Co	9.47%
New York Life Ins Co	7.87%
Metropolitan Life Ins Co	0.16%

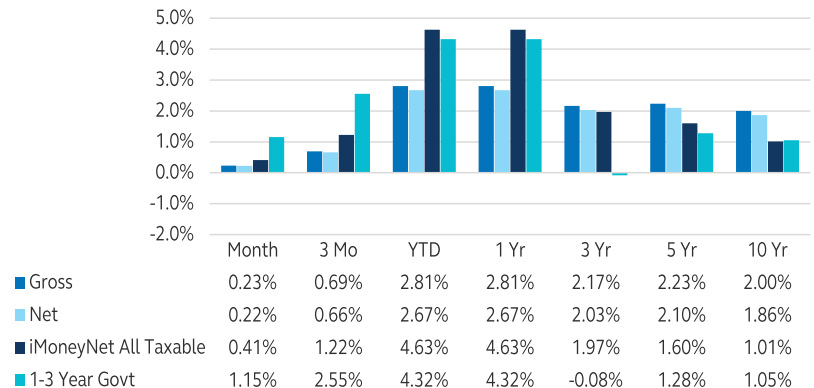
## Investment objective

The objective of the Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.

## Fund description

The Fund primarily consists of a diversified portfolio of Stable Value Investment Contracts (Investment Contracts) issued by life insurance companies, banks and other financial institutions, the performance of which may be predicated on underlying fixed income investments. The principal value of these assets is designed to remain stable regardless of stock and bond market fluctuations. The Fund is typically appropriate for investors who desire low volatility, stable principal value, and returns commensurate with a capital preservation objective for a component of their retirement savings. The Fund is designed for long-term retirement investing.

## Performance



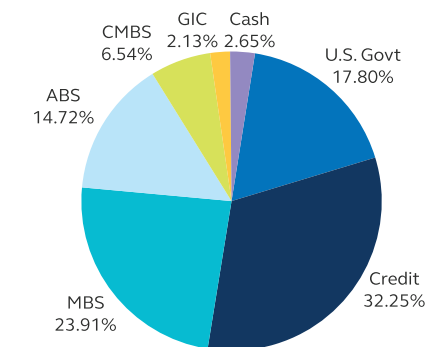
**Past performance is not a guarantee of future results.** Performance returns assume the reinvestment of dividends and other earnings. Returns are calculated based on the net asset value (NAV) of the Fund. Returns for periods less than one year are not annualized. Gross returns are presented net of Fund Level Expenses which include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees and Other Expenses. Net returns are presented net of 0.08% annualized Trustee/Adviser Fee and 0.05% annualized Service Fee. Fees charged by varying share classes including the Service Fee may differ and as a result, investors in other share classes may obtain higher or lower net returns if multiple share classes are available. Performance information for share class options available after the original Fund inception date are based on the performance of the Principal Stable Value Fund, adjusted to reflect estimated fees for the respective share class option. The Fund's inception date is January 1997. **Please see total fund operating expenses on page 2.**

**FUND STRUCTURE** The Principal Stable Value Fund (the Fund) is a collective investment trust maintained by Principal Global Investors Trust Company, (the Trust Company). The Trust Company has retained Principal Morley, an investment team within Principal Global Investors, LLC, (the Adviser), to serve as investment manager with respect to the Fund, subject to the Trust Company's supervision and review. The Adviser is an indirect wholly owned subsidiary of Principal Financial Group® and is under common control with the Trust Company.

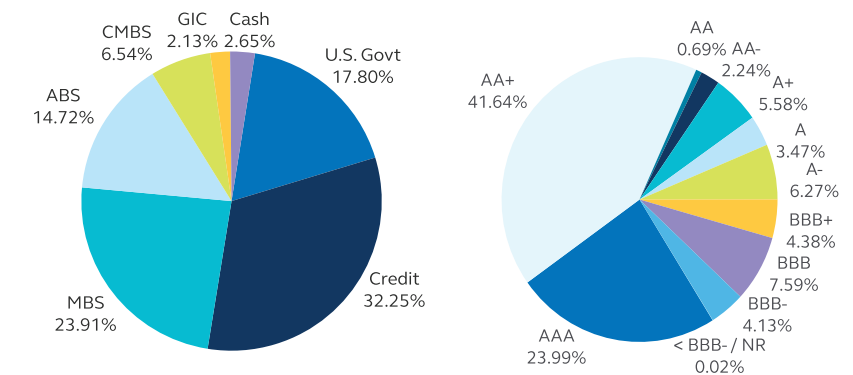
**ABOUT THE INVESTMENT MANAGER** Founded in 1982 and managing its first discretionary stable value account in February 1984, Morley has focused almost exclusively on managing stable value assets for our institutional client base since our inception.

**CONTACT INFORMATION** For additional information on enrolling in the Fund, to obtain the Principal Stable Value Fund Disclosure document or to obtain additional information, please contact the Human Resources Department of the participating plan, or the participating plan's recordkeeper.

## Sector allocation



## Credit quality



ABS = Asset Backed Securities  
 MBS = Mortgage Backed Securities  
 CMBS = Commercial Mortgage Backed Securities

# Principal Stable Value Fund Z Class

## A word on risk<sup>5,6</sup>

While stable value is generally considered a conservative investment option, stable value assets do carry potential risks. **The Fund may lose value and may be worth more or less than the original cost when redeemed, and there is no assurance that the Fund's objective will be achieved.** Risks include, but are not limited to, 1) Investment Contract risk which includes the risk of maintaining Book Value Accounting standards and the risk that Investment Contract issuers may default on their obligations under the contract; 2) interest rate risk which includes the potential that an increase in market interest rates may decrease the value of fixed income securities (bonds); 3) credit risk which reflects the potential that the issuer of fixed income securities will be unable to make the required payments of interest and/or principal when due. Principal Morley seeks to mitigate Investment Contract and credit risk by investing only in investment grade securities. Our credit research team continually analyzes the credit standing and outlook of investments in the Fund seeking to identify investment options with the best risk/return characteristics consistent with the Fund's investment objective. Please review the Principal Stable Value Fund Disclosure document for additional information regarding Fund structure, investment objective and strategy, risks and expenses and carefully consider such factors before investing.

The Fund is not a mutual fund and is not registered with the Securities and Exchange Commission. The Trust Company is regulated by the State of Oregon. **Units of the Fund are not deposits or obligations of, guaranteed by, or insured by the Trust Company or any affiliate, and are not insured by the FDIC or any other federal or state government agency.** The value of the Fund may fluctuate so that when redeemed, units may be worth more or less than the original cost.

## Fees and expenses

Fees and expenses associated with the Fund include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees, and Other Expenses which are collectively referred to as Fund Level Expenses. The Fund also incurs a Trustee/Adviser Fee and may incur a Service Provider Offset if selected by the investing Plan/Trust. The combination of all of these fees represents the Total Fund Operating Expenses for the Fund.

Fund Level Expenses are variable and will fluctuate daily based on factors such as total Fund assets, assets associated with specific Stable Value Investment Contracts or sub-advisers, and the utilization and cost of applicable services. Fund Level Expenses have already been factored into the Fund's gross performance. In contrast the Trustee/Adviser Fee and the Service Fee are generally static and are only altered by direct action from the Trustee or an election by the investing Plan/Trust to amend the Service Fee. The Fund's gross performance is reduced by the applicable Trustee/Adviser Fee and Service Fee to produce the Fund's net performance.

Expense information is updated monthly and may not match expenses provided by applicable recordkeeper.

### Annualized fees as of December 31, 2023

Stable value investment contract fees (wrap fees) <sup>7</sup>	0.15%
Sub-adviser fees <sup>8</sup>	0.03%
Acquired fund fees <sup>9</sup>	0.02%
Other expenses <sup>10</sup>	0.00%
<b>Total fund level expenses</b>	<b>0.20%</b>
Trustee/adviser fee <sup>11</sup>	0.08%
Service fee <sup>12</sup>	0.05%
<b>Total fund operating expenses</b>	<b>0.33%</b>

*Fee information has been rounded to two decimal places. As a result of this rounding, individual fees may not sum to the total fee presented.*

## Additional information

The Principal Stable Value Fund invests all of its assets in units of the Morley Stable Value Fund. Accordingly, certain statistics including but not limited to, credit quality, duration, sector diversification, fund composition, investment contract issuer, stable value investment contract fees, sub-adviser fees and acquired fund fees represent data associated with the Morley Stable Value Fund.

Data provided is for general informational purposes only, is not intended to be used for auditing purposes and may not represent a complete accounting of all holdings within the portfolio. The information should not be considered as investment, legal, accounting, or tax advice or a recommendation of any particular security, strategy, or investment product and it does not take into account the investment objectives, financial situation, or needs of any particular investor. Investors should consider whether the Fund is suitable for their particular circumstances and, if necessary, seek professional advice before investing.

Certain data including sector diversification, credit quality, and duration distribution, has been obtained from each investment manager and has been calculated based upon their internal calculation methodologies. The data is current as of the date listed, and is subject to change without notice. While generally deemed reliable, it has not been verified for accuracy or calculation methodologies and the accuracy of the data cannot be guaranteed.

Principal Morley calculates average portfolio credit quality statistics via the aggregated market value weighted average credit quality of securities within the portfolio including GICs, wrapped securities, and cash equivalents for the assets it directly manages. In the event of split ratings for any single investment (as provided by S&P Global, Moody's Investment Services and Fitch Ratings), the following shall apply: (a) where only two rating agencies rate the investment, the lower of the two ratings shall apply, or (b) where three ratings agencies rate the investment, the median rating shall apply. Ratings are converted to equivalent S&P Global reporting styles.

Based upon the structure of various investment options (e.g. collective investment trusts, insurance company separate account contracts, or individually managed accounts), the client may or may not have direct fractional ownership of the underlying securities.

Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index. The iMoneyNet All-Taxable Money Market Fund Index measures the equally weighted returns of the largest taxable money market funds. The Bloomberg 1-3 Year Govt Bond Index measures the returns of investment grade, dollar denominated bonds publicly issued by the U.S. Govt, with a maturity of over 1, and less than 3 years.

Direct investment in the Fund is limited to Participating Trusts (also known as investing Plan/Trust) that meet certain requirements described in the Declaration of Trust, that enter into a Participation Agreement with the Trustee. The Fund cannot accept investment directly from individuals and is subject to restrictions regarding transfer and withdrawal of assets including potential deferral of plan initiated withdrawal requests by up to 12 months, as defined in the applicable Declaration of Trust.

Principal Asset Management<sup>SM</sup> is a trade name of Principal Global Investors, LLC. Principal Morley is an investment team within Principal Global Investors. Principal Global Investors is a member of the Principal Financial Group<sup>®</sup>, Des Moines, Iowa 50392.

Principal Global Investors, LLC (PGI) is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA), a commodity pool operator (CPO) and is a member of the National Futures Association (NFA). PGI advises qualified eligible persons (QEPs) under CFTC Regulation 4.7.

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## Definitions

- 1. Crediting rate** – The rate of return credited to the book value of the Fund, expressed as an annual percentage rate and is calculated based on a book value dollar weighted basis gross of the Trustee/Adviser Fee and Service Provider Offset and Other Expenses but net of Wrap Fees, Sub-Adviser Fees, and Acquired Fund Fees. A crediting rate is determined per Investment Contract which may remain fixed for the term of the contract or may be reset at predetermined intervals based upon portfolio characteristics including yields, market value, book value and duration. The data is provided for general informational purposes and the return received may be higher or lower than the crediting rate provided.
- 2. Average duration** – Represents the average dollar weighted effective duration of the underlying securities in the Fund. Duration is a measure of the price sensitivity of a fixed-income security or portfolio to a change in interest rates and is commonly presented in years. The longer the duration the more sensitivity the Fund or security is expected to have to interest rate changes.
- 3. Market/book value ratio** – Represents a measurement of the market value of the Fund's underlying securities as compared to the Fund's book value; typically quoted as a percentage. Generally, participant transactions occur at book value even if the market value is above or below the book value.
- 4. Turnover ratio** – A measure of trading activity during the previous 12 months, expressed as a percentage of the average total assets of the Fund. The resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past 12 months. For the purposes of calculating turnover, investments in other pooled products including other collective investment trusts, or separate account contracts, are treated as a single transaction and do not account for the underlying trading activity within these products.
- 5. Book value accounting** – An accounting methodology associated with Stable Value Funds which allows the Funds to amortize market value gains and losses over time through the Fund's crediting rate thus providing capital preservation.
- 6. Stable value investment contracts** – (also known as Investment Contracts or Wrap Contracts) Contracts issued by insurance companies, banks, and other financial institutions that provide book value accounting treatment for the Fund. These contracts are designed to provide capital preservation and permit benefit-responsive transactions at book value. Investment Contracts do not insure the value of the Fund and are not insurance against Fund losses but rather by applying Book Value Accounting standards permit the amortization of gains and losses over time through the crediting rate thus providing capital preservation. Typical examples of these contracts include Guaranteed Investment Contracts (GICs), Bank Investment Contracts (BICs), Synthetic Investment Contracts (SICs), Separate Account Contracts (SACs).
- 7. Stable value investment contract fees** – Fees assessed by the financial institutions issuing the stable value investment contracts (wrap contracts) in which the Fund invests.
- 8. Sub-adviser fees** – Fees assessed by sub-advisers which provide underlying fixed income management for certain portions of the Fund. Fees associated with services provided by Principal Morley are paid directly by the Trustee and are not Fund Level Expenses.
- 9. Acquired fund fees** – The Fund invests in other funds which incur their own fees and expenses associated with fund operations. As a result a pro-rata share of the Other Expense of each underlying fund, as provided in its most recent audited financial report, is reported.
- 10. Other expenses** – Fees and expenses associated with Fund operations including but not limited to, accounting and valuation services, custody services, legal and auditing services.
- 11. Trustee/adviser fee** – Paid to the Trustee of the Fund for trustee and investment advisory services.
- 12. Service fee** – A fee option that may be selected by the Plan/Trust investing in the Fund. The fee is provided to Principal Life Insurance Company<sup>®</sup>, a member of Principal<sup>®</sup>, which provides various services to the plan which may include but is not limited to Service Provider functions, plan administrative services, investment management selection, and ongoing investment oversight.

# Core Plus Bond Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment option invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and US government and agency-backed securities. Value is added primarily through sector allocation and security selection. The Separate Account may enter into reverse repurchase agreements to attempt to enhance portfolio return and income.



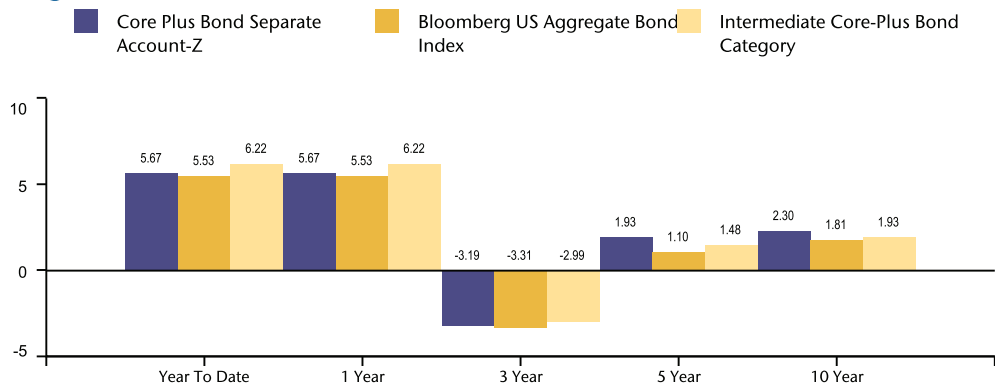
### Portfolio managers

**William C. Armstrong**, CFA. Since 01/01/1997. M.A., University of Iowa

**Bryan C. Davis**, CFA. Since 03/25/2022. B.S., University of Iowa

**Michael Goosay** Since 08/07/2023.

## Long-term returns % as of 12/31/2023



## Performance disclosure

*Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit principal.com, contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.*

*Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.*

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	5.67	5.67	-3.19	1.93	2.30
Bloomberg US Aggregate Bond Index %	5.53	5.53	-3.31	1.10	1.81
Intermediate Core-Plus Bond Category %	6.22	6.22	-2.99	1.48	1.93
Morningstar Percentile R rankings	-	75	56	26	24
# of Funds in Category	632	632	568	536	375
Annual Returns	2023	2022	2021	2020	2019
Total Return %	5.67	-13.81	-0.37	10.05	10.17
Bloomberg US Aggregate Bond Index %	5.53	-13.01	-1.54	7.51	8.72
Intermediate Core-Plus Bond Category %	6.22	-13.27	-0.67	8.06	8.94
Morningstar Percentile R rankings	75	57	32	16	21
# of Funds in Category	632	621	605	602	613

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Intermediate Core-Plus Bond

## Risk and Return Statistics

as of 12/31/2023 Relative to Bloomberg US Aggregate Bond Index

	3Yr	5Yr
Alpha	0.42	0.88
Beta	1.05	1.06
R-Squared	98.02	95.35
Standard Deviation	7.64	6.65
Mean	-3.19	1.93
Sharpe Ratio	-0.72	0.02
Tracking Error	1.11	1.47
Information Ratio	0.11	0.56

## Operations

Total Investment Expense Net	0.26%
Total Investment Expense Gross	0.26%
Inception Date	02/01/1983
Total Net Assets (mil)	\$2,737.41



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



# Core Plus Bond Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	95.37	0.00	95.37
		Non-U.S. Bonds	7.51	0.00	7.51
		Preferred	0.24	0.00	0.24
		Convertibles	0.01	0.00	0.01
		Cash	-3.12	6.35	3.23

## Top ten holdings

as of 11/30/2023

	% of net assets
1. American Express Credit Account Master Trust 0.9%	1.87
2. United States Treasury Bonds 1.75%	1.75
3. Federal National Mortgage Association 5.5%	1.24
4. United States Treasury Bonds 3%	1.23
5. Government National Mortgage Association 6.5%	1.15
6. United States Treasury Bills 0%	1.15
7. United States Treasury Bills 0%	1.05
8. Fnma Pass-Thru I 2%	0.99
9. Fnma Pass-Thru I 2%	0.91
10. Government National Mortgage Association 6%	0.90
% of net assets in top ten holdings*	12.25

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	1556
# of Other Hldgs	11
Turnover Ratio	109%

## Credit Analysis

As of 11/30/2023

	% Bonds
AAA	11.35
AA	46.56
A	12.20
BBB	21.42
BB	3.74
B	3.84
Below B	0.46
Not Rated	0.43

## Statistics

Avg Eff Duration (Yrs)	6.66
Avg Eff Maturity (Yrs)	7.06
Avg Weighted Price	91.38

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The full name of this investment option is Principal Core Plus Bond Separate Account-Z.

*Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting [principal.com](http://principal.com).*

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

The credit analysis shows the percentage of fixed-income securities that fall within each credit-quality rating, as assigned by Standard & Poor's or Moody's, and depicts the quality of bonds in the portfolio. Higher ratings indicate a lower credit risk, and lower ratings indicate a higher credit risk. Per the Morningstar Fixed Income Survey guidelines, if two rating agencies rate a security, then the lowest rating is used. The credit analysis may not reflect the current portfolio composition. AAA-rated securities include cash and cash equivalents.

The Bloomberg US Aggregate Bond Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index.

**Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# Bond Market Index Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks to provide current income. The fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in debt securities held by the Barclays U. S. Aggregate Bond Index at the time of purchase. The index is composed of investment grade, fixed rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more. It employs a passive investment approach designed to attempt to track the performance of the index.

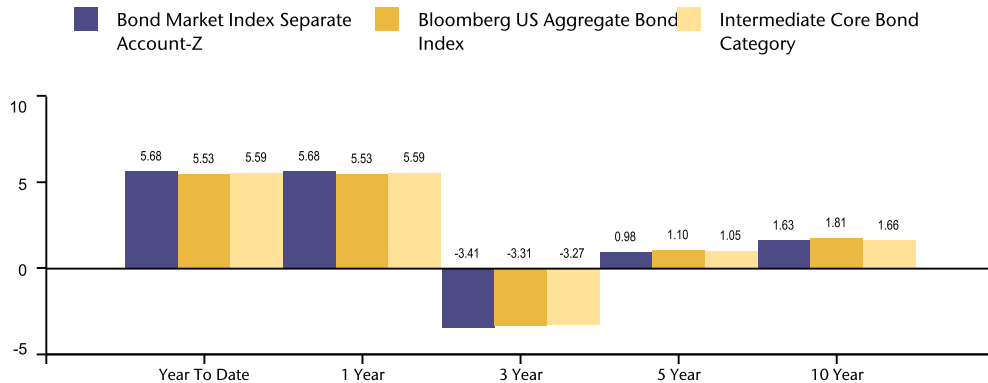


## Portfolio managers

**Darryl Trunel**, CFA. Since 07/01/2019. B.S., Iowa State University

**Jeff Callahan**, CFA. Since 12/18/2020. M.B.A., University of Iowa

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	5.68	5.68	-3.41	0.98	1.63
Bloomberg US Aggregate Bond Index %	5.53	5.53	-3.31	1.10	1.81
Intermediate Core Bond Category %	5.59	5.59	-3.27	1.05	1.66
Morningstar Percentile R rankings	-	45	49	60	59
# of Funds in Category	471	471	425	385	277
Annual Returns	2023	2022	2021	2020	2019
Total Return %	5.68	-13.16	-1.79	7.38	8.49
Bloomberg US Aggregate Bond Index %	5.53	-13.01	-1.54	7.51	8.72
Intermediate Core Bond Category %	5.59	-13.32	-1.48	7.52	8.06
Morningstar Percentile R rankings	45	41	63	61	48
# of Funds in Category	471	453	423	415	430

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Intermediate Core Bond

## Risk and Return Statistics

as of 12/31/2023 Relative to Bloomberg US Aggregate Bond Index

	3Yr	5Yr
Alpha	-0.03	-0.11
Beta	1.01	1.01
R-Squared	99.72	99.75
Standard Deviation	7.32	6.21
Mean	-3.41	0.98
Sharpe Ratio	-0.79	-0.13
Tracking Error	0.39	0.31
Information Ratio	-0.23	-0.39

## Operations

Total Investment Expense Net	0.15%
Total Investment Expense Gross	0.15%
Inception Date	12/30/2009
Total Net Assets (mil)	\$11,439.97



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# Bond Market Index Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Bonds	91.45	0.00	91.45
		Non-U.S. Bonds	7.36	0.00	7.36
		Cash	1.18	0.00	1.18

## Top ten holdings

as of 11/30/2023

	% of net assets
1. United States Treasury Notes 0.25%	1.20
2. United States Treasury Notes 2.25%	0.72
3. United States Treasury Notes 3%	0.69
4. United States Treasury Notes 0.375%	0.60
5. Fnma Pass-Thru I 2%	0.59
6. United States Treasury Notes 1.125%	0.58
7. United States Treasury Notes 0.625%	0.57
8. iShares iBoxx \$ Invmt Grade Corp Bd ETF	0.56
9. United States Treasury Notes 1%	0.56
10. United States Treasury Notes 1.25%	0.53
% of net assets in top ten holdings*	6.59

## Analysis

# of Stock Hldgs	0
# of Bond Hldgs	5963
# of Other Hldgs	10
Turnover Ratio	53%

## Credit Analysis

As of 11/30/2023

	% Bonds
AAA	3.32
AA	72.82
A	12.01
BBB	11.85
BB	0.00
B	0.00
Below B	0.00
Not Rated	0.00

## Statistics

Avg Eff Duration (Yrs)	6.03
Avg Eff Maturity (Yrs)	8.30
Avg Weighted Price	88.81

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The full name of this investment option is Principal Bond Market Index Separate Account-Z.

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**Turnover Ratio** - This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

# U.S. Property Separate Account-Z as of 12/31/2023

## Investment Strategy

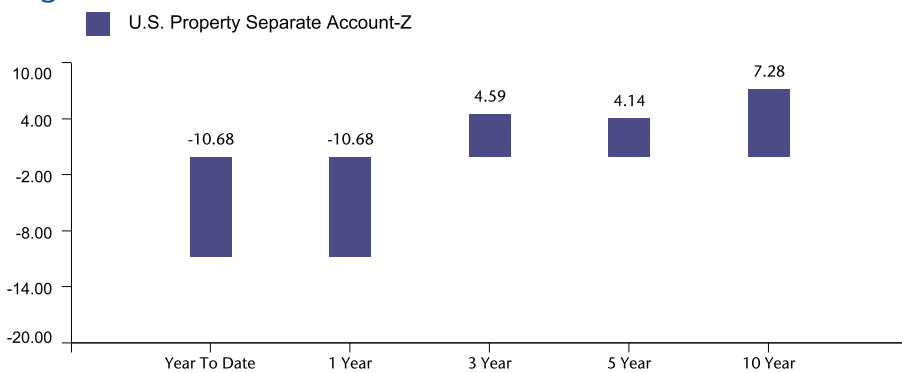
Effective close of market 07/01/2022, a contractual limitation will delay the payment of most withdrawal or transfer requests from the Principal US Property Separate Account (Separate Account) but for no more than three years from the effective date. In accordance with the terms of your employer's group annuity contract, delayed payment requests will be honored proportionately. This means transactions may be processed in a series of payments until enough cash is available to pay obligations. The Separate Account invests the majority of assets in owned private equity commercial real estate. It focuses on properties anticipated to return both lease income and appreciation of the buildings' marketable value. The property holdings usually contain real estate from the multi-family, office, warehouse/manufacturing, and retail sectors. This Separate Account is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Please log on to the participant website at [www.principal.com](http://www.principal.com) for more details.



## Portfolio managers

**Darren Kleis** Since 04/01/2007. M.B.A., Drake University  
**Kyle Elfers** Since 06/30/2023.

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	-10.68	-10.68	4.59	4.14	7.28

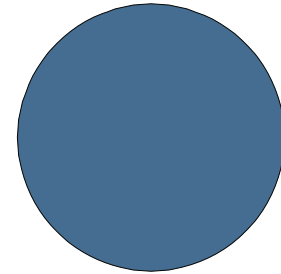
Annual Returns	2023	2022	2021	2020	2019
Total Return %	-10.68	4.27	22.84	0.81	6.22

## Operations

Total Investment Expense Net	0.80%
Total Investment Expense Gross	0.80%
Inception Date	01/01/1982
Total Net Assets (mil)	\$8,667.11

## Portfolio information

Composition as of 11/30/2023



## % of Assets

Other	100.00
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## Analysis

Total Number of Hldgs	155
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## Portfolio composition

### Top ten holdings as of 11/30/2023 % of net assets

Sonoran Village	3.47
500 West Second Street	2.91
March Business Center	2.65
Jurupa Business Park	2.64
Park Place	2.49
Watermark Kendall East & West	2.44
Burbank Empire Center	2.08
Valley Centre Corporate Park	1.88
West Campus	1.77

% of net assets in top ten holdings\* 25.23%

\*Values may exceed 100% if both long and short positions are included in the portfolio.

## Geographical diversity

	% of properties
West	50.33
South	24.66
East	21.35

## Property type

	% of account
Apartments	34.29
Industrial Park	34.15
Office	17.22
Retail	10.39
Other	2.06
Warehouse	1.22
Land-Dev	0.63

# U.S. Property Separate Account-Z as of 12/31/2023

Returns shown for periods of less than one year are not annualized. All returns displayed here are after Total Investment Expense of the investment option. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

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## **Investment and Insurance products are:**

**Not Insured by the FDIC or Any Federal Government Agency**

**Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**

**Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Due to the unique composition of the portfolio, Morningstar does not track an index or peer group that provides an appropriate comparison for this Separate Account.

Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit [principalAM.com/mutual](http://principalAM.com/mutual).

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

If you elect to contribute funds into the Principal US Property Separate Account (Separate Account), you may not be able to immediately withdraw them. This Separate Account is unlike most other retirement plan investment options because it is primarily made up of interests in private equity commercial real estate rather than traditional securities. Unlike public securities sold on an exchange, commercial real estate assets are usually sold in time-consuming, and often complex, transactions. Due to the nature of these transactions, this Separate Account may be subject to market conditions which may delay or prevent a sale. We may implement a pre-existing contractual limitation in the group annuity contract which will allow us to manage this Separate Account and satisfy withdrawal requests proportionately over time and fairly among all those who request a withdrawal.

Investment manager/sub-advisor means either the Investment Advisor or Sub-Advisor to the investment option or the underlying asset(s). Principal Life Insurance Company is the Investment Manager as defined by ERISA, with regard to the assets of the Separate Accounts. Principal Global Investors is a member of the Principal Financial Group.

The Principal U.S. Property Separate Account invests primarily in the Principal U.S. Property Portfolio, an operating partnership. All rights associated with the partnership are the rights of the Separate Account, not of contract holders investing in the Separate Account. Generally more than five percent (5%) of the Net Asset Value will be in directly held assets consistent with the investment objective and strategy.

NFI-ODCE Equal-Weight is the NCREIF Fund Index - Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage. The return series is net of the average fee charged by accounts that make up the index.

# LargeCap S&P 500 Index Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment option normally invests the majority of assets in common stocks of companies that compose the S&P 500 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 500 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 500 Index.



### Portfolio managers

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

**Tyler O'Donnell** Since 08/01/2023.

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	26.22	26.22	9.94	15.62	11.96
Standard & Poor's 500 Index %	26.29	26.29	10.00	15.69	12.03
Large Blend Category %	22.32	22.32	8.83	14.26	10.55
Morningstar Percentile R rankings	-	28	28	23	11
# of Funds in Category	1430	1430	1298	1191	897
Annual Returns	2023	2022	2021	2020	2019
Total Return %	26.22	-18.15	28.61	18.36	31.38
Standard & Poor's 500 Index %	26.29	-18.11	28.71	18.40	31.49
Large Blend Category %	22.32	-16.96	26.07	15.83	28.78
Morningstar Percentile R rankings	28	52	25	38	27
# of Funds in Category	1430	1358	1382	1363	1387

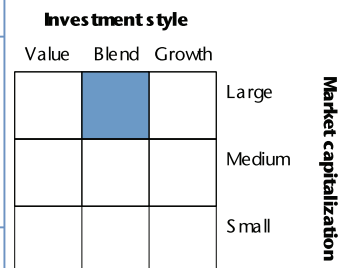
Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Large Blend

## Morningstar Style Box™

As of 11/30/2023



## Risk and Return Statistics

as of 12/31/2023 Relative to Standard & Poor's 500 Index

	3Yr	5Yr
Alpha	-0.06	-0.05
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	17.53	18.51
Mean	9.94	15.62
Sharpe Ratio	0.49	0.77
Excess Return	-0.06	-0.07
Tracking Error	0.02	0.03
Information Ratio	-2.82	-2.68

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	01/01/1990
Total Net Assets (mil)	\$33,878.37



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

# LargeCap S&P 500 Index Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	96.43	0.00	96.43
		Cash	3.01	0.00	3.01
		Non-U.S. Stocks	0.56	0.00	0.56

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Microsoft Corp	7.13
2. Apple Inc	7.07
3. Amazon.com Inc	3.36
4. NVIDIA Corp	2.92
5. Alphabet Inc Class A	1.99
6. Meta Platforms Inc Class A	1.84
7. Alphabet Inc Class C	1.71
8. Tesla Inc	1.68
9. Berkshire Hathaway Inc Class B	1.66
10. UnitedHealth Group Inc	1.30
% of net assets in top ten holdings*	30.65

## Analysis

# of Stock Hldgs	503
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$237,586.39
Turnover Ratio	2%
P/C Ratio	13.27
P/B Ratio	3.64
P/E Ratio	18.79

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>28.03</b>	<b>Defensive</b>	<b>21.39</b>	<b>Sensitive</b>	<b>50.58</b>
Consumer Cyclical	10.90	Healthcare	12.72	Technology	29.71
Basic Materials	2.20	Consumer Defensive	6.27	Industrials	8.16
Financial Svcs	12.50	Utilities	2.40	Energy	4.10
Real Estate	2.43			Comm Svcs	8.61

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The full name of this investment option is Principal LargeCap S&P 500 Index Separate Account-Z.

*Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting [principal.com](http://principal.com).*

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Standard & Poor's 500 Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index.

**Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# Capital Appreciation Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks to provide long-term growth of capital. The fund invests primarily in equity securities of companies with any market capitalization, but it has a greater exposure to large market capitalization companies than small or medium market capitalization companies. The managers seek to invest in securities of businesses that they believe are trading at a discount to their private market value (i.e., the value of the business if it was sold), have a competitive advantage, and/or that have barriers to entry in their respective industries.

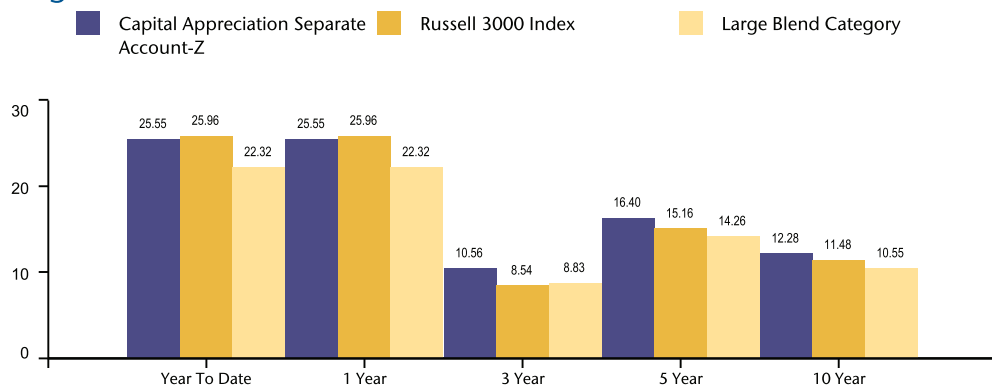


### Portfolio managers

**Daniel R. Coleman** Since 05/19/2010. M.B.A., New York University

**Theodore Jayne, CFA.** Since 09/30/2015. B.A., Harvard University

## Long-term returns % as of 12/31/2023



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	25.55	25.55	10.56	16.40	12.28
Russell 3000 Index %	25.96	25.96	8.54	15.16	11.48
Large Blend Category %	22.32	22.32	8.83	14.26	10.55
Morningstar Percentile R rankings	-	38	17	8	5
# of Funds in Category	1430	1430	1298	1191	897
Annual Returns	2023	2022	2021	2020	2019
Total Return %	25.55	-16.00	28.15	18.99	32.89
Russell 3000 Index %	25.96	-19.21	25.66	20.89	31.02
Large Blend Category %	22.32	-16.96	26.07	15.83	28.78
Morningstar Percentile R rankings	38	35	31	31	11
# of Funds in Category	1430	1358	1382	1363	1387

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Large Blend

## Morningstar Style Box™

As of 11/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 3000 Index

	3Yr	5Yr
Alpha	2.04	1.87
Beta	0.96	0.93
R-Squared	98.09	97.96
Standard Deviation	17.25	17.97
Mean	10.56	16.40
Sharpe Ratio	0.53	0.83
Excess Return	2.02	1.23
Tracking Error	2.46	2.91
Information Ratio	0.82	0.43

## Operations

Total Investment Expense Net	0.36%
Total Investment Expense Gross	0.36%
Inception Date	06/30/2009
Extended Performance	
Inception Date <sup>#</sup>	11/30/1986
Total Net Assets (mil)	\$3,999.31



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



# Capital Appreciation Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	97.56	0.00	97.56
		Non-U.S. Stocks	1.64	0.00	1.64
		Cash	0.80	0.03	0.83
		U.S. Bonds	0.01	0.00	0.01
0	25	50	75	100	

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Microsoft Corp	7.27
2. Apple Inc	5.87
3. Alphabet Inc Class A	3.90
4. Visa Inc Class A	3.09
5. Amazon.com Inc	2.86
6. NVIDIA Corp	2.40
7. Broadcom Inc	2.37
8. JPMorgan Chase & Co	2.28
9. UnitedHealth Group Inc	2.25
10. Meta Platforms Inc Class A	2.24
% of net assets in top ten holdings*	34.53

## Analysis

# of Stock Hldgs	82
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$211,373.09
Turnover Ratio	48%
P/C Ratio	12.65
P/B Ratio	3.97
P/E Ratio	18.82

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>30.02</b>	<b>Defensive</b>	<b>20.31</b>	<b>Sensitive</b>	<b>49.68</b>
Consumer Cyclical	10.86	Healthcare	11.41	Technology	26.02
Basic Materials	2.38	Consumer Defensive	6.00	Industrials	9.39
Financial Svcs	14.70	Utilities	2.90	Energy	4.44
Real Estate	2.08			Comm Svcs	9.83

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The full name of this investment option is Principal Capital Appreciation Separate Account-Z. Principal Capital Appreciation investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. Capital Appreciation Inst Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PWCIX) at <http://www.principal.com/retirement/prospectuses/prospect.htm>.

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The Russell 3000 Index is constructed to provide a comprehensive barometer of the broad market and accounts for nearly 98% of the total value of all equity traded on the U.S. exchanges. It measures the stocks that are also members of either the Russell 1000 or the Russell 2000 indexes.

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# LargeCap Value III Separate Account-Z as of 12/31/2023

## Investment Strategy

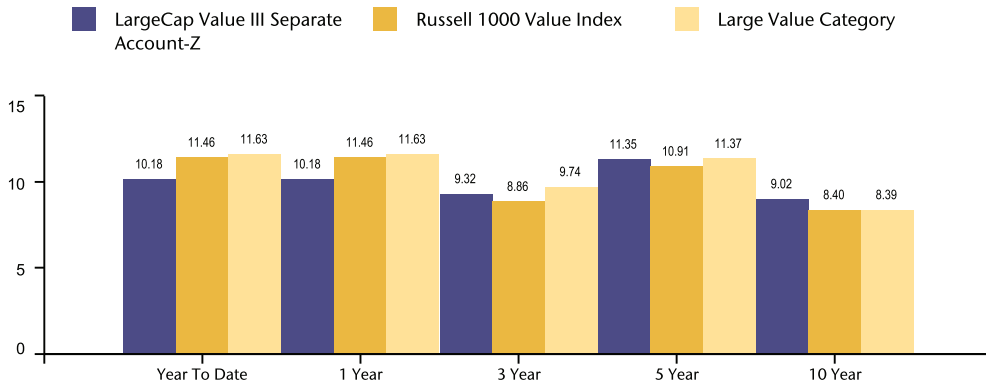
The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in companies with large market capitalizations at the time of purchase. For this fund, companies with large market capitalizations are those with market capitalizations within the range of companies comprising the Russell 1000 (R) Value Index. The fund invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued.



## Portfolio managers

**James W. Fennessey**, CFA. Since 06/02/2009. B.S., Truman State University  
**Randy L. Welch** Since 06/02/2009. M.B.A., Drake University

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	10.18	10.18	9.32	11.35	9.02
Russell 1000 Value Index %	11.46	11.46	8.86	10.91	8.40
Large Value Category %	11.63	11.63	9.74	11.37	8.39
Morningstar Percentile Rankings	-	59	59	50	30
# of Funds in Category	1217	1217	1131	1075	821
Annual Returns	2023	2022	2021	2020	2019
Total Return %	10.18	-4.84	24.61	3.40	26.71
Russell 1000 Value Index %	11.46	-7.54	25.16	2.80	26.54
Large Value Category %	11.63	-5.90	26.22	2.91	25.04
Morningstar Percentile Rankings	59	41	69	43	34
# of Funds in Category	1217	1229	1207	1200	1209

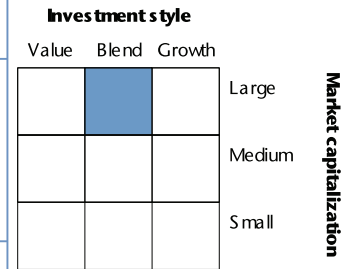
*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Large Value

## Morningstar Style Box™

As of 11/30/2023



## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 1000 Value Index

	3Yr	5Yr
Alpha	0.60	0.64
Beta	0.97	0.97
R-Squared	98.81	98.89
Standard Deviation	16.26	18.43
Mean	9.32	11.35
Sharpe Ratio	0.48	0.57
Excess Return	0.46	0.43
Tracking Error	1.86	2.03
Information Ratio	0.25	0.22

## Operations

Total Investment Expense Net	0.51%
Total Investment Expense Gross	0.58%
Waiver Expiration Date	02/29/2024
Inception Date	12/29/2000
Total Net Assets (mil)	\$2,943.78



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

# LargeCap Value III Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	96.36	0.00	96.36
		Cash	1.85	0.84	2.69
		Non-U.S. Stocks	1.77	0.00	1.77
		U.S. Bonds	0.02	0.00	0.02
0	25	50	75	100	

## Top ten holdings

as of 11/30/2023

	% of net assets
1. UnitedHealth Group Inc	2.46
2. Principal Government Money Market R-6	2.39
3. Vertiv Holdings Co Class A	2.15
4. American International Group Inc	2.03
5. Wells Fargo & Co	2.01
6. VICI Properties Inc Ordinary Shares	1.83
7. Alphabet Inc Class A	1.67
8. Johnson & Johnson	1.65
9. Comcast Corp Class A	1.50
10. Microsoft Corp	1.46
% of net assets in top ten holdings*	19.16

## Analysis

# of Stock Hldgs	857
# of Bond Hldgs	0
# of Other Hldgs	5
AvgMktCap (mil)	\$80,819.32
Turnover Ratio	45%
P/C Ratio	10.23
P/B Ratio	2.39
P/E Ratio	14.70

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>34.62</b>	<b>Defensive</b>	<b>25.40</b>	<b>Sensitive</b>	<b>39.97</b>
Consumer Cyclical	6.78	Healthcare	13.72	Technology	14.28
Basic Materials	4.76	Consumer Defensive	6.93	Industrials	10.99
Financial Svcs	17.84	Utilities	4.75	Energy	10.21
Real Estate	5.24			Comm Svcs	4.49

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The full name of this investment option is Principal LargeCap Value III Separate Account-Z. Principal LargeCap Value III investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. LargeCap Value III Inst Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PLVIX) at <http://www.principal-funds.com/Principal?site=MF>.

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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.

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# LargeCap Growth I Separate Account-Z as of 12/31/2023

## Investment Strategy

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, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average. The fund is non-diversified.

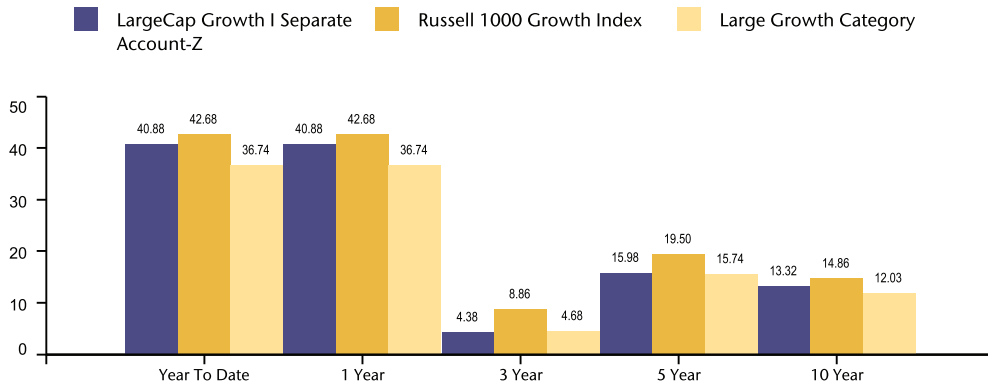


## Portfolio managers

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

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

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	40.88	40.88	4.38	15.98	13.32
Russell 1000 Growth Index %	42.68	42.68	8.86	19.50	14.86
Large Growth Category %	36.74	36.74	4.68	15.74	12.03
Morningstar Percentile Rankings	-	39	66	50	24
# of Funds in Category	1200	1200	1118	1031	810
Annual Returns	2023	2022	2021	2020	2019
Total Return %	40.88	-33.86	22.07	36.40	35.26
Russell 1000 Growth Index %	42.68	-29.14	27.60	38.49	36.39
Large Growth Category %	36.74	-29.91	20.45	35.86	31.90
Morningstar Percentile Rankings	39	74	53	40	26
# of Funds in Category	1200	1235	1237	1289	1360

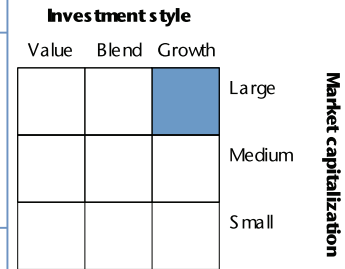
Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Large Growth

## Morningstar Style Box™

As of 11/30/2023



## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 1000 Growth Index

	3Yr	5Yr
Alpha	-4.18	-2.90
Beta	1.01	0.99
R-Squared	97.25	97.69
Standard Deviation	21.34	20.96
Mean	4.38	15.98
Sharpe Ratio	0.19	0.72
Excess Return	-4.48	-3.52
Tracking Error	3.53	3.18
Information Ratio	-1.27	-1.11

## Operations

Total Investment Expense Net	0.39%
Total Investment Expense Gross	0.41%
Waiver Expiration Date	02/29/2024
Inception Date	12/29/2000
Total Net Assets (mil)	\$12,046.73



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# LargeCap Growth I Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	95.95	0.00	95.95
		Cash	2.25	0.68	2.93
		Non-U.S. Stocks	1.67	0.00	1.67
		Preferred	0.08	0.00	0.08
		Other	0.02	0.00	0.02
		U.S. Bonds	0.02	0.00	0.02

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Microsoft Corp	9.97
2. Amazon.com Inc	5.71
3. Apple Inc	5.41
4. NVIDIA Corp	4.76
5. Intuit Inc	3.76
6. Alphabet Inc Class A	3.45
7. Mastercard Inc Class A	3.12
8. ServiceNow Inc	2.83
9. Principal Government Money Market R-6	2.82
10. Intuitive Surgical Inc	2.70
% of net assets in top ten holdings*	44.55

## Analysis

# of Stock Hldgs	459
# of Bond Hldgs	0
# of Other Hldgs	10
AvgMktCap (mil)	\$261,584.69
Turnover Ratio	27%
P/C Ratio	19.95
P/B Ratio	6.66
P/E Ratio	27.15

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>22.78</b>	<b>Defensive</b>	<b>19.08</b>	<b>Sensitive</b>	<b>58.14</b>
Consumer Cyclical	11.21	Healthcare	16.01	Technology	41.74
Basic Materials	0.09	Consumer Defensive	3.05	Industrials	5.68
Financial Svcs	8.39	Utilities	0.02	Energy	0.41
Real Estate	3.09			Comm Svcs	10.31

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferral will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The full name of this investment option is Principal LargeCap Growth I Separate Account-Z. Principal LargeCap Growth I investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. LargeCap Growth I R6 Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PLCGX) at <http://www.principal-funds.com/Principal?site=MF>.

*Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting [principal.com](http://principal.com).*

## Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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.

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**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# American Century Equity Income R6 Fund as of 12/31/2023

## Investment Strategy

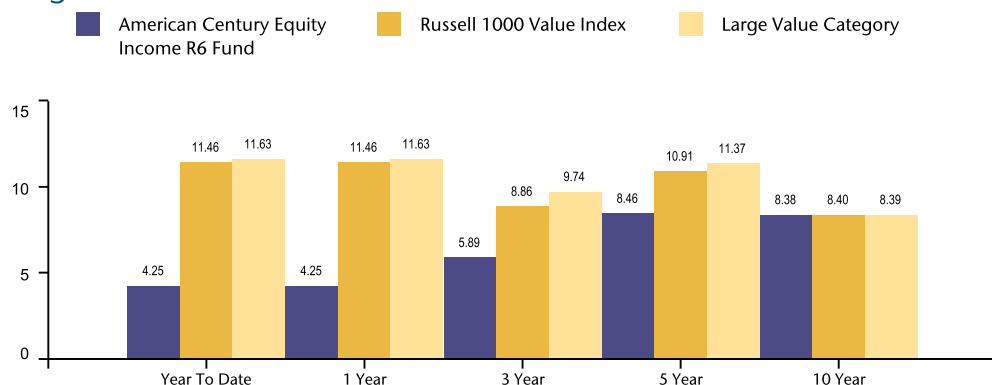
The investment seeks current income; capital appreciation is a secondary objective. The portfolio managers look for equity securities of companies with a favorable income-paying history that have prospects for income payments to continue or increase. The portfolio managers also look for equity securities of companies that they believe are undervalued and have the potential for an increase in price. The fund may invest a portion of its assets in foreign securities when these securities meet the portfolio managers' standards of selection.



### Portfolio managers

**Michael Liss**, CPA, CFA. Since 12/31/1998. M.B.A., Indiana University  
**Kevin Toney**, CFA. Since 08/30/2003. M.B.A., University of Pennsylvania (Wharton)  
**Brian Woglom**, CFA. Since 04/29/2019. M.B.A., University of Michigan  
**Paul Howanitz** Since 02/19/2022. MBA, University of North Carolina-Chapel Hill (Kenan-FI)

## Long-term returns % as of 12/31/2023



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit [principal.com](http://principal.com), contact your representative of Principal®, or call our Participant Contact Center at 1-800-547-7754.

Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	4.25	4.25	5.89	8.46	8.38
Russell 1000 Value Index %	11.46	11.46	8.86	10.91	8.40
Large Value Category %	11.63	11.63	9.74	11.37	8.39
Morningstar Percentile R rankings	-	90	93	91	52
# of Funds in Category	1217	1217	1131	1075	821
Annual Returns	2023	2022	2021	2020	2019
Total Return %	4.25	-2.90	17.27	1.43	24.64
Russell 1000 Value Index %	11.46	-7.54	25.16	2.80	26.54
Large Value Category %	11.63	-5.90	26.22	2.91	25.04
Morningstar Percentile R rankings	90	26	97	60	59
# of Funds in Category	1217	1229	1207	1200	1209

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Large Value

## Morningstar Style Box™

As of 09/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 1000 Value Index

	3Yr	5Yr
Alpha	-1.35	-0.37
Beta	0.73	0.74
R-Squared	92.82	95.75
Standard Deviation	12.57	14.30
Mean	5.89	8.46
Sharpe Ratio	0.32	0.50
Excess Return	-2.97	-2.45
Tracking Error	5.70	5.75
Information Ratio	-0.52	-0.43

## Operations

Total Investment Expense Net	0.58%
Total Investment Expense Gross	0.58%
Inception Date	07/26/2013
Extended Performance Inception Date#	08/01/1994
Total Net Assets (mil)	\$8,542.97
12b-1 Fees	-
Ticker	AEUDX



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

# American Century Equity Income R6 Fund as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 09/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	72.19	0.00	72.19
		Non-U.S. Stocks	11.90	0.00	11.90
		Preferred	10.19	0.00	10.19
		Convertibles	3.31	0.00	3.31
		Cash	2.15	0.00	2.15
		Non-U.S. Bonds	0.26	0.00	0.26

## Top ten holdings

as of 09/30/2023

	% of net assets
1. Johnson & Johnson	4.56
2. Medtronic PLC	4.16
3. Exxon Mobil Corp	3.24
4. RTX Corp	2.50
5. Becton Dickinson & Co	2.23
6. Automatic Data Processing Inc	2.13
7. Colgate-Palmolive Co	2.10
8. Mondelez International Inc Class A	2.06
9. Enterprise Products Partners LP	2.01
10. Roche Holding AG	1.96
% of net assets in top ten holdings*	26.95

## Analysis

# of Stock Hldgs	75
# of Bond Hldgs	1
# of Other Hldgs	25
AvgMktCap (mil)	\$73,895.61
Turnover Ratio	29%
P/C Ratio	7.87
P/B Ratio	2.50
P/E Ratio	14.41

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
Cyclical	21.78	Defensive	47.47	Sensitive	30.75	
Consumer Cyclical	2.21	Healthcare	18.51	Technology	5.95	
Basic Materials	3.02	Consumer Defensive	20.09	Industrials	12.01	
Financial Svcs	14.87	Utilities	8.87	Energy	9.88	
Real Estate	1.68			Comm Svcs	2.91	

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

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**Carefully consider the Fund's objectives, risks, charges, and expenses. Contact your financial professional or visit principal.com for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.**

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# American Funds Growth Fund of America R6 Fund as of 12/31/2023

## Investment Strategy

The investment seeks growth of capital. The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest up to 25% of its assets in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund's assets. Under this approach, the portfolio of the fund is divided into segments managed by individual managers.



**CAPITAL GROUP** | AMERICAN FUNDS

### Portfolio managers

**Donald D. O'Neal** Since 11/01/1993. M.B.A., Stanford University

**J. Blair Frank** Since 11/01/2001.

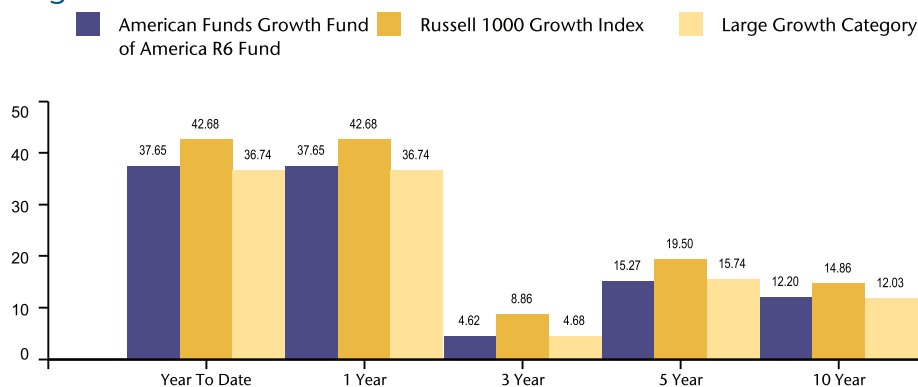
**Lawrence R. Solomon, CFA.** Since 05/01/2010.

**Martin Romo** Since 11/01/2010. B.A., University of California-Berkeley

**Carl M. Kawaja** Since 11/01/2010. B.A., Brown University

**Mark L. Casey** Since 11/01/2012.

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	37.65	37.65	4.62	15.27	12.20
Russell 1000 Growth Index %	42.68	42.68	8.86	19.50	14.86
Large Growth Category %	36.74	36.74	4.68	15.74	12.03
Morningstar Percentile Rankings	-	51	64	60	50
# of Funds in Category	1200	1200	1118	1031	810
Annual Returns	2023	2022	2021	2020	2019
Total Return %	37.65	-30.49	19.69	38.28	28.54
Russell 1000 Growth Index %	42.68	-29.14	27.60	38.49	36.39
Large Growth Category %	36.74	-29.91	20.45	35.86	31.90
Morningstar Percentile Rankings	51	54	64	35	80
# of Funds in Category	1200	1235	1237	1289	1360

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Large Growth

## Morningstar Style Box™

As of 09/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 1000 Growth Index

	3Yr	5Yr
Alpha	-3.57	-2.91
Beta	0.93	0.95
R-Squared	94.03	95.20
Standard Deviation	19.92	20.36
Mean	4.62	15.27
Sharpe Ratio	0.20	0.70
Excess Return	-4.24	-4.23
Tracking Error	5.07	4.56
Information Ratio	-0.84	-0.93

## Operations

Total Investment Expense Net	0.30%
Total Investment Expense Gross	0.30%
Inception Date	05/01/2009
Extended Performance	
Inception Date#	11/30/1973
Total Net Assets (mil)	\$248,247.34
12b-1 Fees	-
Ticker	RGAGX



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



# American Funds Growth Fund of America R6 Fund as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 09/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	82.96	0.00	82.96
		Non-U.S. Stocks	10.21	0.00	10.21
		Cash	6.32	0.01	6.32
		Preferred	0.41	0.00	0.41
		Other	0.08	0.00	0.08
		Convertibles	0.03	0.00	0.03

## Top ten holdings

as of 09/30/2023

	% of net assets
1. Capital Group Central Cash Fund	6.32
2. Microsoft Corp	5.57
3. Meta Platforms Inc Class A	4.28
4. Amazon.com Inc	3.09
5. Broadcom Inc	2.90
6. Tesla Inc	2.53
7. UnitedHealth Group Inc	2.04
8. Alphabet Inc Class C	2.02
9. Alphabet Inc Class A	1.92
10. Eli Lilly and Co	1.66
% of net assets in top ten holdings*	32.32

## Analysis

# of Stock Hldgs	327
# of Bond Hldgs	0
# of Other Hldgs	30
AvgMktCap (mil)	\$136,673.27
Turnover Ratio	31%
P/C Ratio	12.17
P/B Ratio	4.25
P/E Ratio	19.42

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>28.70</b>	<b>Defensive</b>	<b>16.72</b>	<b>Sensitive</b>	<b>54.59</b>
Consumer Cyclical	17.98	Healthcare	13.80	Technology	25.12
Basic Materials	2.47	Consumer Defensive	2.30	Industrials	11.25
Financial Svcs	8.19	Utilities	0.62	Energy	5.35
Real Estate	0.06			Comm Svcs	12.87

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**Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# MidCap Growth III Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in growth equity securities, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average.

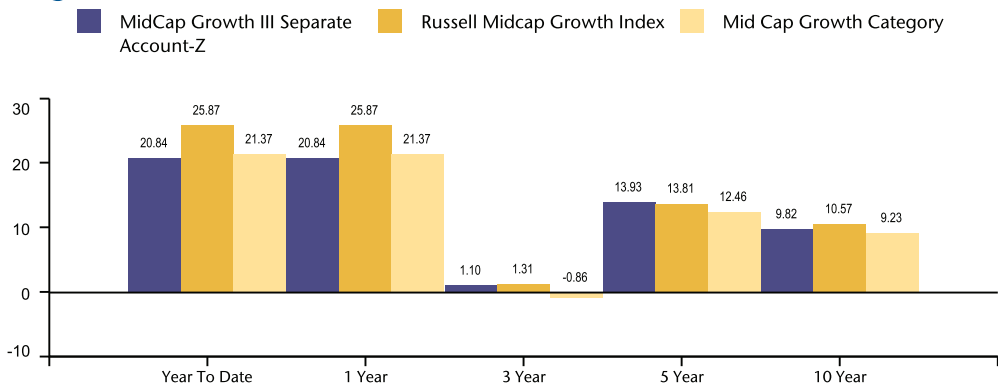


## Portfolio managers

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

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

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	20.84	20.84	1.10	13.93	9.82
Russell Midcap Growth Index %	25.87	25.87	1.31	13.81	10.57
Mid Cap Growth Category %	21.37	21.37	-0.86	12.46	9.23
Morningstar Percentile Rankings	-	50	42	25	39
# of Funds in Category	553	553	523	492	395
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.84	-26.54	16.41	36.82	35.77
Russell Midcap Growth Index %	25.87	-26.72	12.73	35.59	35.47
Mid Cap Growth Category %	21.37	-27.79	13.05	39.26	32.52
Morningstar Percentile Rankings	50	45	35	39	29
# of Funds in Category	553	586	588	604	618

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Mid Cap Growth

## Morningstar Style Box™

As of 11/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell Midcap Growth Index

	3Yr	5Yr
Alpha	-0.19	0.28
Beta	0.99	0.98
R-Squared	96.99	97.79
Standard Deviation	21.42	22.18
Mean	1.10	13.93
Sharpe Ratio	0.04	0.61
Excess Return	-0.21	0.11
Tracking Error	3.71	3.32
Information Ratio	-0.06	0.03

## Operations

Total Investment Expense Net	0.60%
Total Investment Expense Gross	0.62%
Waiver Expiration Date	02/29/2024
Inception Date	10/28/1999
Total Net Assets (mil)	\$1,284.48



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

# MidCap Growth III Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	96.25	0.00	96.25
		Non-U.S. Stocks	2.46	0.00	2.46
		Cash	1.27	0.67	1.94
		U.S. Bonds	0.02	0.00	0.02

## Top ten holdings

as of 11/30/2023

	% of net assets
1. DexCom Inc	2.54
2. IDEXX Laboratories Inc	2.07
3. Principal Government Money Market R-6	1.88
4. PTC Inc	1.75
5. MSCI Inc	1.70
6. Tyler Technologies Inc	1.66
7. Monolithic Power Systems Inc	1.62
8. Synopsys Inc	1.54
9. Copart Inc	1.48
10. Veeva Systems Inc Class A	1.42
% of net assets in top ten holdings*	17.66

## Analysis

# of Stock Hldgs	365
# of Bond Hldgs	0
# of Other Hldgs	4
AvgMktCap (mil)	\$21,051.57
Turnover Ratio	49%
P/C Ratio	16.82
P/B Ratio	4.82
P/E Ratio	25.14

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>21.28</b>	<b>Defensive</b>	<b>22.37</b>	<b>Sensitive</b>	<b>56.35</b>
Consumer Cyclical	11.21	Healthcare	17.92	Technology	26.43
Basic Materials	1.48	Consumer Defensive	4.37	Industrials	25.34
Financial Svcs	6.00	Utilities	0.08	Energy	3.46
Real Estate	2.59			Comm Svcs	1.12

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**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# MidCap Value I Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. The fund also invests in real estate investment trusts.

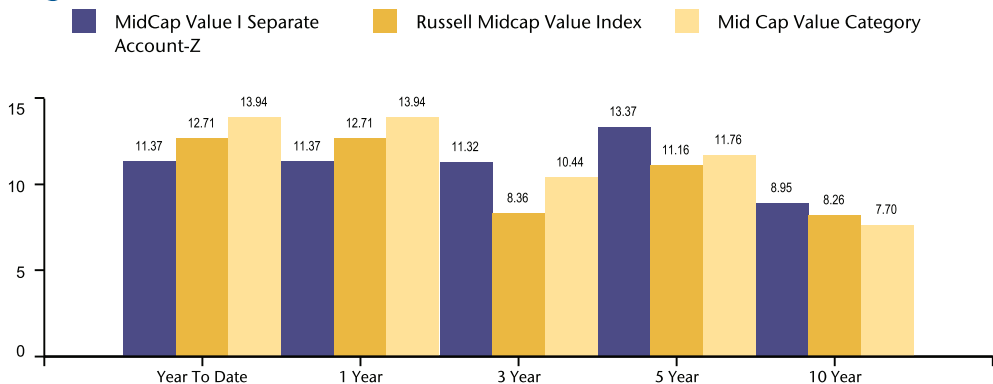


## Portfolio managers

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

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

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	11.37	11.37	11.32	13.37	8.95
Russell Midcap Value Index %	12.71	12.71	8.36	11.16	8.26
Mid Cap Value Category %	13.94	13.94	10.44	11.76	7.70
Morningstar Percentile Rankings	-	63	35	18	18
# of Funds in Category	397	397	383	363	274
Annual Returns	2023	2022	2021	2020	2019
Total Return %	11.37	-5.80	31.50	6.74	27.17
Russell Midcap Value Index %	12.71	-12.03	28.34	4.96	27.06
Mid Cap Value Category %	13.94	-8.02	29.32	2.63	25.18
Morningstar Percentile Rankings	63	32	29	24	38
# of Funds in Category	397	405	413	415	422

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Mid Cap Value

## Morningstar Style Box™

As of 11/30/2023

Investment style			Market capitalization	
Value	Blend	Growth		
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell Midcap Value Index

	3Yr	5Yr
Alpha	3.08	2.49
Beta	0.91	0.92
R-Squared	97.79	98.65
Standard Deviation	18.06	20.53
Mean	11.32	13.37
Sharpe Ratio	0.55	0.62
Excess Return	2.96	2.20
Tracking Error	3.18	2.96
Information Ratio	0.93	0.75

## Operations

Total Investment Expense Net	0.49%
Total Investment Expense Gross	0.51%
Waiver Expiration Date	02/29/2024
Inception Date	07/01/1999
Total Net Assets (mil)	\$3,827.73



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

# MidCap Value I Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	94.97	0.00	94.97
		Non-U.S. Stocks	3.71	0.00	3.71
		Cash	1.31	0.47	1.78
		U.S. Bonds	0.01	0.00	0.01

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Government Money Market R-6	1.57
2. Yum Brands Inc	1.43
3. Old Republic International Corp	1.34
4. WR Berkley Corp	1.34
5. Packaging Corp of America	1.28
6. Ross Stores Inc	1.28
7. Leidos Holdings Inc	1.27
8. Quest Diagnostics Inc	1.26
9. Alliant Energy Corp	1.23
10. Textron Inc	1.22
% of net assets in top ten holdings*	13.22

## Analysis

# of Stock Hldgs	712
# of Bond Hldgs	0
# of Other Hldgs	5
AvgMktCap (mil)	\$14,858.64
Turnover Ratio	50%
P/C Ratio	7.71
P/B Ratio	2.12
P/E Ratio	14.15

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>43.08</b>	<b>Defensive</b>	<b>16.85</b>	<b>Sensitive</b>	<b>40.09</b>
Consumer Cyclical	16.42	Healthcare	8.85	Technology	13.37
Basic Materials	4.12	Consumer Defensive	4.76	Industrials	20.58
Financial Svcs	15.58	Utilities	3.24	Energy	4.77
Real Estate	6.96			Comm Svcs	1.37

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The full name of this investment option is Principal MidCap Value I Separate Account-Z. Principal MidCap Value I investment option is available as a mutual fund and as a Separate Account that invests wholly in Institutional class shares of the Principal Funds, Inc. MidCap Value I Inst Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PVMIX) at <http://www.principal.com/retirement/prospectuses/prospect.htm>.

*Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting [principal.com](http://principal.com).*

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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.

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# MidCap S&P 400 Index Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment option normally invests the majority of assets in common stocks of companies that compose the S&P MidCap 400 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P MidCap 400 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P MidCap 400 Index.



### Portfolio managers

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

**Tyler O'Donnell** Since 08/01/2023.

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	16.41	16.41	8.03	12.54	9.19
Standard & Poor's 400 MidCap Stock Index %	16.44	16.44	8.09	12.62	9.27
Mid Cap Blend Category %	16.00	16.00	6.83	11.96	8.28
Morningstar Percentile R rankings	-	44	35	36	22
# of Funds in Category	420	420	385	363	241
Annual Returns	2023	2022	2021	2020	2019
Total Return %	16.41	-13.10	24.64	13.54	26.12
Standard & Poor's 400 MidCap Stock Index %	16.44	-13.06	24.76	13.66	26.20
Mid Cap Blend Category %	16.00	-14.01	23.40	12.39	26.21
Morningstar Percentile R rankings	44	36	44	37	57
# of Funds in Category	420	405	391	407	404

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Mid Cap Blend

## Morningstar Style Box™

As of 11/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Standard & Poor's 400 MidCap Stock Index

	3Yr	5Yr
Alpha	-0.06	-0.06
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	20.01	22.42
Mean	8.03	12.54
Sharpe Ratio	0.36	0.55
Excess Return	-0.06	-0.08
Tracking Error	0.08	0.07
Information Ratio	-0.79	-1.05

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	08/31/1999
Total Net Assets (mil)	\$7,874.95



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

# MidCap S&P 400 Index Separate Account-Z as of 12/31/2023

## Portfolio information†

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	97.36	0.00	97.36
		Cash	1.69	0.00	1.69
		Non-U.S. Stocks	0.94	0.00	0.94

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Deckers Outdoor Corp	0.73
2. Builders FirstSource Inc	0.71
3. Reliance Steel & Aluminum Co	0.68
4. Jabil Inc	0.64
5. GoDaddy Inc Class A	0.62
6. Carlisle Companies Inc	0.59
7. Manhattan Associates Inc	0.58
8. Graco Inc	0.57
9. Equity Lifestyle Properties Inc	0.56
10. RPM International Inc	0.56
% of net assets in top ten holdings*	6.23

## Analysis

# of Stock Hldgs	401
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$6,909.93
Turnover Ratio	17%
P/C Ratio	8.28
P/B Ratio	1.90
P/E Ratio	13.68

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets	
Cyclical	44.51	Defensive	15.47	Sensitive	40.04	
Consumer Cyclical	16.21	Healthcare	8.03	Technology	12.43	
Basic Materials	5.52	Consumer Defensive	4.33	Industrials	20.28	
Financial Svcs	14.20	Utilities	3.11	Energy	5.82	
Real Estate	8.58			Comm Svcs	1.51	

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The full name of this investment option is Principal MidCap S&P 400 Index Separate Account-Z.

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### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Standard & Poor's 400 MidCap Stock Index includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.

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# SmallCap Growth I Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. The fund may invest up to 30% of the fund's assets using an index sampling strategy designed to match the performance of the Russell 2000(R) Growth Index.

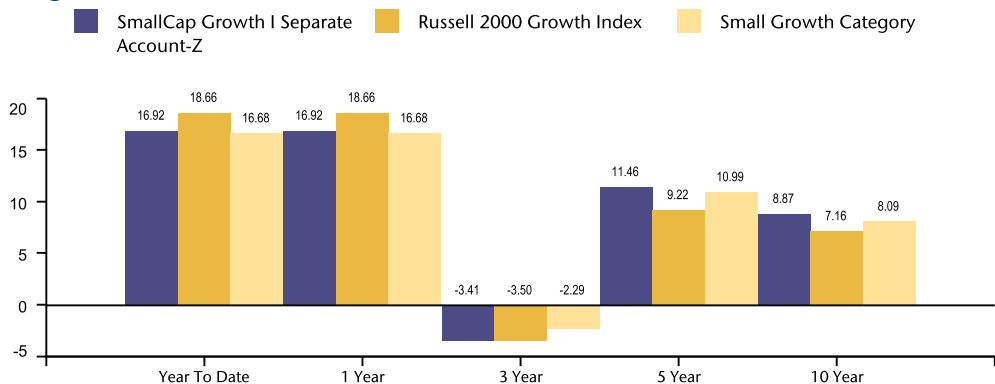


## Portfolio managers

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

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

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	16.92	16.92	-3.41	11.46	8.87
Russell 2000 Growth Index %	18.66	18.66	-3.50	9.22	7.16
Small Growth Category %	16.68	16.68	-2.29	10.99	8.09
Morningstar Percentile Rankings	-	52	63	41	30
# of Funds in Category	597	597	563	528	405
Annual Returns	2023	2022	2021	2020	2019
Total Return %	16.92	-28.32	7.52	42.58	33.88
Russell 2000 Growth Index %	18.66	-26.36	2.83	34.63	28.48
Small Growth Category %	16.68	-27.77	11.89	38.62	27.68
Morningstar Percentile Rankings	52	55	64	34	22
# of Funds in Category	597	604	615	616	640

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Small Growth

## Morningstar Style Box™

As of 11/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 2000 Growth Index

	3Yr	5Yr
Alpha	-0.47	2.40
Beta	0.92	0.94
R-Squared	96.30	96.38
Standard Deviation	20.73	23.28
Mean	-3.41	11.46
Sharpe Ratio	-0.19	0.50
Excess Return	0.09	2.23
Tracking Error	4.33	4.69
Information Ratio	0.02	0.48

## Operations

Total Investment Expense Net	0.63%
Total Investment Expense Gross	0.65%
Contractual Cap Expiration Date	02/29/2024
Waiver Expiration Date	02/29/2024
Inception Date	12/29/2000
Total Net Assets (mil)	\$2,413.75



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



# SmallCap Growth I Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	93.05	0.00	93.05
		Non-U.S. Stocks	3.95	0.00	3.95
		Cash	2.97	0.47	3.43
		U.S. Bonds	0.03	0.00	0.03

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Government Money Market R-6	3.18
2. ChampionX Corp	1.39
3. NeoGenomics Inc	1.28
4. Onto Innovation Inc	1.15
5. Waste Connections Inc	1.12
6. Blueprint Medicines Corp	1.10
7. FTI Consulting Inc	1.02
8. MACOM Technology Solutions Holdings Inc	1.01
9. Bright Horizons Family Solutions Inc	0.99
10. Inari Medical Inc Ordinary Shares	0.95
% of net assets in top ten holdings*	13.17

## Analysis

# of Stock Hldgs	1173
# of Bond Hldgs	0
# of Other Hldgs	9
AvgMktCap (mil)	\$4,070.33
Turnover Ratio	50%
P/C Ratio	10.38
P/B Ratio	3.08
P/E Ratio	20.71

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>20.90</b>	<b>Defensive</b>	<b>28.51</b>	<b>Sensitive</b>	<b>50.57</b>
Consumer Cyclical	11.71	Healthcare	24.68	Technology	24.58
Basic Materials	1.94	Consumer Defensive	3.72	Industrials	19.58
Financial Svcs	6.07	Utilities	0.11	Energy	4.55
Real Estate	1.18			Comm Svcs	1.86

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The full name of this investment option is Principal SmallCap Growth I Separate Account-Z. Principal SmallCap Growth I investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. SmallCap Growth I R6 Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PCSMX) at <http://www.principal-funds.com/Principal?site=MF>.

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# SmallCap Value II Separate Account-Z as of 12/31/2023

## Investment Strategy

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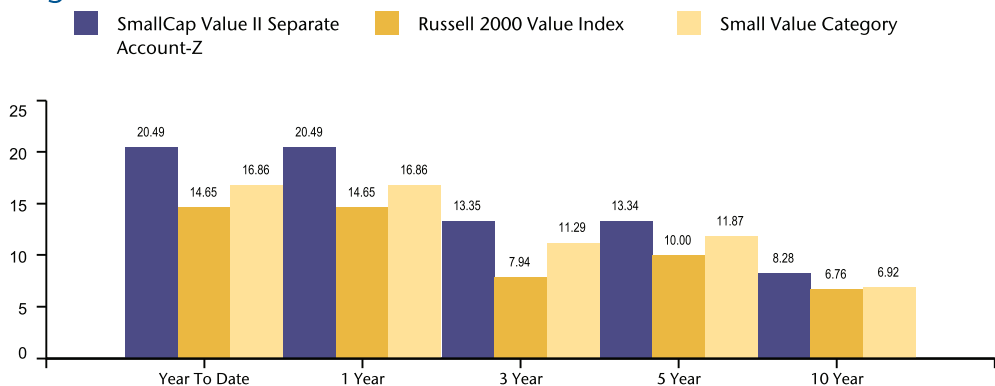


## Portfolio managers

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

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

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Where gross and net expense ratios differ or where a contractual cap and/or waiver date is given, the mutual fund, collective investment trust, or underlying applicable investment in which this investment option 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.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	20.49	20.49	13.35	13.34	8.28
Russell 2000 Value Index %	14.65	14.65	7.94	10.00	6.76
Small Value Category %	16.86	16.86	11.29	11.87	6.92
Morningstar Percentile Rankings	-	23	27	25	19
# of Funds in Category	489	489	456	427	333
Annual Returns	2023	2022	2021	2020	2019
Total Return %	20.49	-9.03	32.88	3.93	23.59
Russell 2000 Value Index %	14.65	-14.48	28.27	4.63	22.39
Small Value Category %	16.86	-10.16	31.57	4.02	21.43
Morningstar Percentile Rankings	23	36	41	44	27
# of Funds in Category	489	481	446	416	419

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Small Value

## Morningstar Style Box™

As of 11/30/2023

### Investment style

Value	Blend	Growth	Market capitalization	
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to Russell 2000 Value Index

	3Yr	5Yr
Alpha	5.19	3.27
Beta	0.94	0.96
R-Squared	96.52	97.94
Standard Deviation	21.06	24.51
Mean	13.35	13.34
Sharpe Ratio	0.58	0.56
Excess Return	5.41	3.33
Tracking Error	4.16	3.65
Information Ratio	1.30	0.92

## Operations

Total Investment Expense Net	0.65%
Total Investment Expense Gross	0.67%
Waiver Expiration Date	02/29/2024
Inception Date	06/01/2004
Total Net Assets (mil)	\$1,442.90



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

# SmallCap Value II Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	96.51	0.00	96.51
		Cash	1.68	4.43	6.11
		Non-U.S. Stocks	1.02	0.00	1.02
		U.S. Bonds	0.79	0.00	0.79

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Principal Government Money Market R-6	6.87
2. Element Solutions Inc	1.53
3. Insight Enterprises Inc	1.51
4. First American Financial Corp	1.03
5. Western Alliance Bancorp	1.03
6. Spire Inc	0.98
7. Zions Bancorp NA	0.96
8. Core & Main Inc Class A	0.95
9. Beacon Roofing Supply Inc Class A	0.91
10. Installed Building Products Inc	0.90
% of net assets in top ten holdings*	16.67

## Analysis

# of Stock Hldgs	1569
# of Bond Hldgs	0
# of Other Hldgs	6
AvgMktCap (mil)	\$2,413.87
Turnover Ratio	65%
P/C Ratio	5.46
P/B Ratio	1.27
P/E Ratio	10.73

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>51.38</b>	<b>Defensive</b>	<b>9.76</b>	<b>Sensitive</b>	<b>38.85</b>
Consumer Cyclical	12.21	Healthcare	3.53	Technology	8.76
Basic Materials	6.65	Consumer Defensive	2.89	Industrials	19.62
Financial Svcs	24.94	Utilities	3.34	Energy	9.25
Real Estate	7.58			Comm Svcs	1.22

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the fact sheet for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The full name of this investment option is Principal SmallCap Value II Separate Account-Z. Principal SmallCap Value II investment option is available as a mutual fund and as a Separate Account that invests wholly in R6 class shares of the Principal Funds, Inc. SmallCap Value II R6 Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund (PSMVX) at <http://www.principal-funds.com/Principal?site=MF>.

*Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 1-800-547-7754 or by visiting [principal.com](http://principal.com).*

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

# SmallCap S&P 600 Index Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment seeks long-term growth of capital and normally invests the majority of assets in common stocks of companies that compose the S&P SmallCap 600 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 600 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 600 Index.

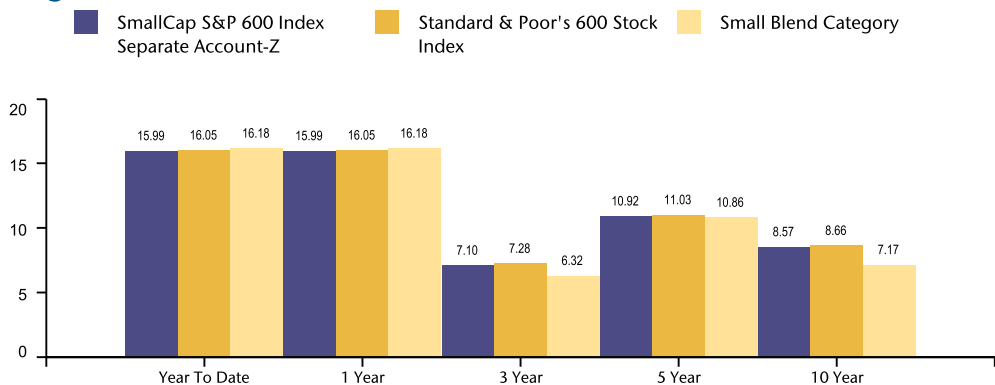


### Portfolio managers

**Aaron J. Siebel** Since 10/15/2018. B.A., University of Iowa

**Tyler O'Donnell** Since 08/01/2023.

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	15.99	15.99	7.10	10.92	8.57
Standard & Poor's 600 Stock Index %	16.05	16.05	7.28	11.03	8.66
Small Blend Category %	16.18	16.18	6.32	10.86	7.17
Morningstar Percentile R rankings	-	60	41	55	12
# of Funds in Category	615	615	593	557	391
Annual Returns	2023	2022	2021	2020	2019
Total Return %	15.99	-16.23	26.43	11.34	22.77
Standard & Poor's 600 Stock Index %	16.05	-16.10	26.82	11.29	22.78
Small Blend Category %	16.18	-16.24	24.19	10.99	23.75
Morningstar Percentile R rankings	60	48	37	50	61
# of Funds in Category	615	611	630	671	702

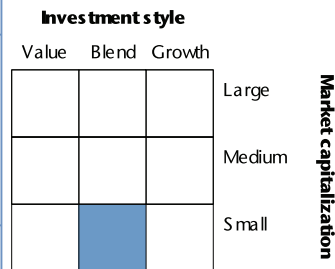
Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Small Blend

## Morningstar Style Box™

As of 11/30/2023



## Risk and Return Statistics

as of 12/31/2023 Relative to Standard & Poor's 600 Stock Index

	3Yr	5Yr
Alpha	-0.17	-0.09
Beta	1.00	1.00
R-Squared	100.00	100.00
Standard Deviation	21.24	24.15
Mean	7.10	10.92
Sharpe Ratio	0.31	0.47
Excess Return	-0.18	-0.10
Tracking Error	0.12	0.11
Information Ratio	-1.47	-1.00

## Operations

Total Investment Expense Net	0.05%
Total Investment Expense Gross	0.05%
Inception Date	08/31/1999
Total Net Assets (mil)	\$4,793.85



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

# SmallCap S&P 600 Index Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		U.S. Stocks	97.33	0.00	97.33
		Cash	1.86	0.00	1.86
		Non-U.S. Stocks	0.81	0.00	0.81

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Rambus Inc	0.72
2. Comfort Systems USA Inc	0.67
3. e.l.f. Beauty Inc	0.62
4. SPS Commerce Inc	0.61
5. Applied Industrial Technologies Inc	0.60
6. Ensign Group Inc	0.58
7. Fabrinet	0.57
8. ATI Inc	0.55
9. Meritage Homes Corp	0.50
10. DXC Technology Co Registered Shs When Issued	0.46
% of net assets in top ten holdings*	5.89

## Analysis

# of Stock Hldgs	602
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$2,205.56
Turnover Ratio	12%
P/C Ratio	5.58
P/B Ratio	1.47
P/E Ratio	12.45

## Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
<b>Cyclical</b>	<b>45.36</b>	<b>Defensive</b>	<b>16.94</b>	<b>Sensitive</b>	<b>37.70</b>
Consumer Cyclical	14.62	Healthcare	9.77	Technology	13.57
Basic Materials	5.18	Consumer Defensive	5.02	Industrials	16.93
Financial Svcs	15.91	Utilities	2.15	Energy	4.68
Real Estate	9.65			Comm Svcs	2.52

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Standard & Poor's 600 Stock Index is a small cap index that consists of 600 domestic stocks chosen for market size, liquidity, and industry group representation.

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# Diversified International Separate Account-Z as of 12/31/2023

## Investment Strategy

The investment option normally invests the majority of assets in companies in at least three different countries. It invests in securities of companies with their principal place of business or principal office outside of the United States; companies for which the principal securities trade on a foreign exchange; and companies, regardless of where their securities are traded, that derive 50% or more of their total revenue from goods or services produced or sold outside of the United States. The Separate Account may invest in securities of companies with small to medium market capitalizations.



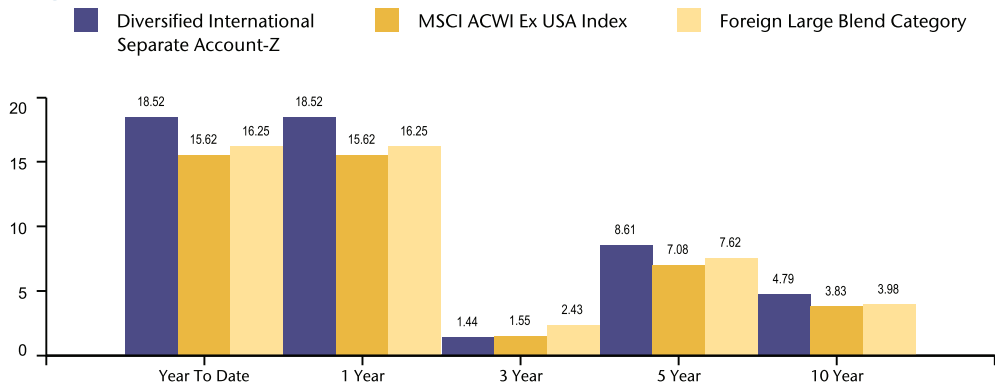
### Portfolio managers

**Paul H. Blankenhagen**, CFA. Since 12/01/2003. M.B.A., Drake University

**Juliet Cohn** Since 05/01/2004. B.A., Trinity College

**George Maris**, CFA. Since 09/05/2023. J.D., University of Illinois

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	18.52	18.52	1.44	8.61	4.79
MSCI ACWI Ex USA Index %	15.62	15.62	1.55	7.08	3.83
Foreign Large Blend Category %	16.25	16.25	2.43	7.62	3.98
Morningstar Percentile Rankings	-	19	72	25	14
# of Funds in Category	744	744	698	642	421
Annual Returns	2023	2022	2021	2020	2019
Total Return %	18.52	-19.83	9.87	17.22	23.49
MSCI ACWI Ex USA Index %	15.62	-16.00	7.82	10.65	21.51
Foreign Large Blend Category %	16.25	-15.84	9.72	9.30	21.59
Morningstar Percentile Rankings	19	89	56	9	24
# of Funds in Category	744	744	767	785	732

*Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.*

## Morningstar category

Foreign Large Blend

## Morningstar Style Box™

As of 11/30/2023

Investment style			Market capitalization	
Value	Blend	Growth		
				Large
				Medium
			Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to MSCI ACWI Ex USA Index

	3Yr	5Yr
Alpha	-0.03	1.55
Beta	0.99	0.99
R-Squared	94.20	95.52
Standard Deviation	16.57	18.07
Mean	1.44	8.61
Sharpe Ratio	0.02	0.44
Excess Return	-0.11	1.52
Tracking Error	3.97	3.82
Information Ratio	-0.02	0.40

## Operations

Total Investment Expense Net	0.43%
Total Investment Expense Gross	0.43%
Inception Date	05/20/1987
Total Net Assets (mil)	\$2,763.83



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# Diversified International Separate Account-Z as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 11/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		Non-U.S. Stocks	92.31	0.00	92.31
		U.S. Stocks	4.09	0.00	4.09
		Other	2.29	0.00	2.29
		Cash	1.31	0.00	1.31
0	25	50	75	100	

## Top ten holdings

as of 11/30/2023

	% of net assets
1. Samsung Electronics Co Ltd	2.99
2. Novo Nordisk A/S Class B	2.97
3. Taiwan Semiconductor Manufacturing Co Ltd	2.69
4. 3i Group Ord	2.29
5. ASML Holding NV	2.09
6. AstraZeneca PLC	1.93
7. Shell PLC	1.73
8. Lvmh Moet Hennessy Louis Vuitton SE	1.66
9. Nestle SA	1.66
10. Alimentation Couche-Tard Inc	1.62
% of net assets in top ten holdings*	21.61

## Analysis

# of Stock Hldgs	129
# of Bond Hldgs	0
# of Other Hldgs	2
AvgMktCap (mil)	\$58,945.47
Turnover Ratio	42%
P/C Ratio	9.64
P/E Ratio	13.33
P/B Ratio	1.87

## Top 5 Countries

	% of net assets
Japan	16.42
United Kingdom	13.17
France	10.53
Canada	9.48
India	4.54

## Regional exposure

	% of net assets
Europe	44.48
Pacific Rim	19.79
Japan	16.42
Other	9.48
Latin America	5.59
United States	4.25

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- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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.

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# American Funds EuroPacific Growth R6 Fund as of 12/31/2023

## Investment Strategy

The investment seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.



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### Portfolio managers

**Carl M. Kawaja** Since 06/01/2001. B.A., Brown University

**Sung Lee** Since 06/01/2002.

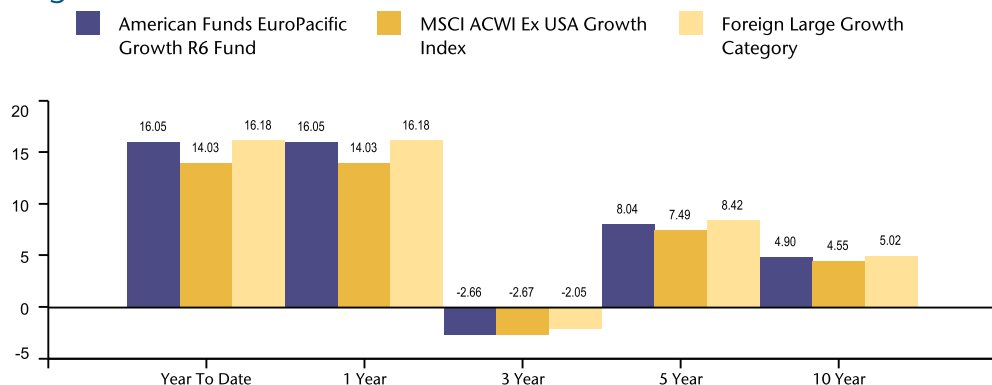
**Nicholas J. Grace, CFA**, Since 06/01/2002. M.B.A., University of Wisconsin-Madison

**Jonathan Knowles** Since 06/01/2006. Ph.D., University of Liverpool

**Andrew B. Suzman** Since 06/01/2007. M.B.A., Harvard University

**Christopher M. Thomsen** Since 06/01/2008. B.A., University of Chicago

## Long-term returns % as of 12/31/2023



## Performance disclosure

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Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	16.05	16.05	-2.66	8.04	4.90
MSCI ACWI Ex USA Growth Index %	14.03	14.03	-2.67	7.49	4.55
Foreign Large Growth Category %	16.18	16.18	-2.05	8.42	5.02
Morningstar Percentile R rankings	-	53	57	60	48
# of Funds in Category	417	417	394	336	229
Annual Returns	2023	2022	2021	2020	2019
Total Return %	16.05	-22.72	2.84	25.27	27.40
MSCI ACWI Ex USA Growth Index %	14.03	-23.05	5.09	22.20	27.34
Foreign Large Growth Category %	16.18	-25.29	7.69	25.48	27.83
Morningstar Percentile R rankings	53	38	80	33	59
# of Funds in Category	417	443	450	447	469

Morningstar percentile rankings are based on total returns and in accordance with the appropriate Morningstar peer group. Returns shown for less than one year are not annualized.

## Morningstar category

Foreign Large Growth

## Morningstar Style Box™

As of 09/30/2023

### Investment style

Value	Blend	Growth	Market capitalization
		Large	
		Medium	
		Small	

## Risk and Return Statistics

as of 12/31/2023 Relative to MSCI ACWI Ex USA Growth Index

	3Yr	5Yr
Alpha	-0.08	0.44
Beta	0.98	1.05
R-Squared	95.00	95.13
Standard Deviation	17.92	19.23
Mean	-2.66	8.04
Sharpe Ratio	-0.20	0.40
Excess Return	0.01	0.55
Tracking Error	4.00	4.32
Information Ratio	0.00	0.13

## Operations

Total Investment Expense Net	0.47%
Total Investment Expense Gross	0.47%
Inception Date	05/01/2009
Extended Performance	
Inception Date#	04/16/1984
Total Net Assets (mil)	\$136,292.76
12b-1 Fees	-
Ticker	RERGX



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



# American Funds EuroPacific Growth R6 Fund as of 12/31/2023

## Portfolio information<sup>†</sup>

Composition as of 09/30/2023

Asset Distribution		Asset Type	Net %	Short %	Long %
		Non-U.S. Stocks	90.14	0.00	90.14
		Cash	6.52	0.15	6.67
		U.S. Stocks	2.86	0.00	2.86
		Preferred	0.27	0.00	0.27
		Other	0.21	0.00	0.21

## Top ten holdings

as of 09/30/2023

	% of net assets
1. Novo Nordisk A/S Class B	4.49
2. LVMH Moët Hennessy Louis Vuitton SE	2.71
3. Reliance Industries Ltd	2.16
4. Taiwan Semiconductor Manufacturing Co Ltd	2.15
5. Airbus SE	2.12
6. ASML Holding NV	2.08
7. Canadian Natural Resources Ltd	2.04
8. Daiichi Sankyo Co Ltd	1.75
9. Safran SA	1.55
10. AstraZeneca PLC	1.42
% of net assets in top ten holdings*	22.47

## Analysis

# of Stock Hldgs	343
# of Bond Hldgs	0
# of Other Hldgs	11
AvgMktCap (mil)	\$56,542.32
Turnover Ratio	34%
P/C Ratio	9.71
P/E Ratio	16.04
P/B Ratio	2.62

## Top 5 Countries

	% of net assets
France	11.25
Japan	10.80
India	8.15
Canada	8.01
United Kingdom	7.83

## Regional exposure

	% of net assets
Europe	49.07
Pacific Rim	24.72
Japan	10.79
Other	8.51
Latin America	3.85
United States	3.07

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Securities are offered through Principal Securities, Inc., 800-547-7754, member SIPC, and/or independent broker dealers. Securities sold by a Principal Securities Registered Representative are offered through Principal Securities. Principal Securities and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392. Certain investment options may not be available in all states or U.S. commonwealths.

**Carefully consider the Fund's objectives, risks, charges, and expenses. Contact your financial professional or visit [principal.com](http://principal.com) for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.**

### Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by Credit Union or Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

MSCI ACWI Ex USA Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across 22 Developed Markets countries and 23 Emerging Markets countries.

**Past performance is no guarantee of future results.** Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

**Alpha** - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

## **STATISTICAL SECTION (UNAUDITED)**

This section of the annual comprehensive financial report on Louisiana Lottery Corporation's Retirement Plans presents detailed information as a supplement to the information presented in the financial statements and note disclosures to assist readers in assessing the overall financial health of the Retirement Plans.

<b><u>CONTENTS</u></b>	<b>PAGE</b>
<b>Financial Trends, Revenue Capacity, and Operating Information</b>	<b>99-102</b>

These schedules contain information about the Plans' historical financial position, revenue generated by investment returns, and operations.

<b>Operating Information</b>	<b>103</b>
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This schedule contains demographic and financial indicators to help readers understand the environment in which the Plans operate.

LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

Historical Statements of Changes in Net Position Available for Benefits and  
 Plan Investment Returns  
 Plan Years Ended December 31 for the Years Shown  
 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-YEAR TOTALS
<b>401(a) Basic Plan</b>											
<b>ADDITIONS</b>											
Investment income (Loss)	\$625,706	(\$71,619)	\$836,732	\$1,832,089	(\$922,427)	\$2,554,190	\$2,198,393	\$2,396,463	(\$3,347,436)	\$2,566,129	\$8,668,220
Contributions:											
Participant	326,123	333,248	341,189	348,778	347,853	357,563	357,079	370,694	395,119	405,673	3,583,319
Employer	263,003	268,749	275,153	281,276	280,526	288,354	287,968	298,949	318,646	327,156	2,889,780
<b>Total additions</b>	<b>1,214,832</b>	<b>530,378</b>	<b>1,453,074</b>	<b>2,462,143</b>	<b>(294,048)</b>	<b>3,200,107</b>	<b>2,843,440</b>	<b>3,066,106</b>	<b>(2,633,671)</b>	<b>3,298,958</b>	<b>15,141,319</b>
<b>DEDUCTIONS</b>											
Benefits paid to participants	(398,158)	(347,453)	(485,054)	(231,234)	(893,001)	(164,028)	(406,224)	(645,350)	(973,065)	(1,219,623)	(5,763,190)
Distribution service fees	(680)	(870)	(880)	(640)	(800)	(650)	(736)	(1,350)	(875)	(1,650)	(9,131)
<b>Total deductions</b>	<b>(398,838)</b>	<b>(348,323)</b>	<b>(485,934)</b>	<b>(231,874)</b>	<b>(893,801)</b>	<b>(164,678)</b>	<b>(406,960)</b>	<b>(646,700)</b>	<b>(973,940)</b>	<b>(1,221,273)</b>	<b>(5,772,321)</b>
<b>CHANGES IN NET POSITION</b>	<b>815,994</b>	<b>182,055</b>	<b>967,140</b>	<b>2,230,269</b>	<b>(1,187,849)</b>	<b>3,035,429</b>	<b>2,436,480</b>	<b>2,419,406</b>	<b>(3,607,611)</b>	<b>2,077,685</b>	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<b>9,218,084</b>	<b>10,034,078</b>	<b>10,216,133</b>	<b>11,183,273</b>	<b>13,413,542</b>	<b>12,225,693</b>	<b>15,261,122</b>	<b>17,697,602</b>	<b>20,117,008</b>	<b>16,509,397</b>	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	<b>\$10,034,078</b>	<b>\$10,216,133</b>	<b>\$11,183,273</b>	<b>\$13,413,542</b>	<b>\$12,225,693</b>	<b>\$15,261,122</b>	<b>\$17,697,602</b>	<b>\$20,117,008</b>	<b>\$16,509,397</b>	<b>\$18,587,082</b>	
<b>AVERAGE INVESTMENT RETURNS *</b>	<b>6.50%</b>	<b>-0.71%</b>	<b>7.82%</b>	<b>14.90%</b>	<b>-7.20%</b>	<b>18.58%</b>	<b>13.34%</b>	<b>12.67%</b>	<b>-18.28%</b>	<b>14.62%</b>	

\* Calculated as investment income divided by the average net position balance for the year.

LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

Historical Statements of Changes in Net Position Available for Benefits and  
 Plan Investment Returns  
 Plan Years Ended December 31 for the Years Shown  
 (Unaudited)

	401(a) Supplemental Plan										10-YEAR TOTALS
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>ADDITIONS</b>											
Investment Income (Loss)	\$371,685	(\$20,097)	\$514,150	\$1,162,430	(\$589,379)	\$1,819,738	\$1,728,056	\$1,788,174	(\$2,441,618)	\$1,921,995	\$6,255,134
Contributions:											
Participant	69,783	26,016	81,231	106,757	104,434	29,429	29,429	1,551	6,342	6,342	425,543
Employer	437,302	451,090	461,795	475,618	475,480	486,326	490,437	505,536	534,991	554,315	4,872,890
<b>Total additions</b>	878,770	457,009	1,057,176	1,744,805	(9,465)	2,306,064	2,247,922	2,295,261	(1,900,285)	2,476,310	11,553,567
<b>DEDUCTIONS</b>											
Benefits paid to participants	(260,478)	(103,431)	(332,127)	(10,828)	(647,645)	(124,330)	(203,704)	(416,318)	(232,453)	(673,079)	(3,004,393)
Distribution service fees	(440)	(550)	(680)	(120)	(440)	(500)	(414)	(650)	(600)	(900)	(5,294)
<b>Total deductions</b>	(260,918)	(103,981)	(332,807)	(10,948)	(648,085)	(124,830)	(204,118)	(416,968)	(233,053)	(673,979)	(3,009,687)
<b>CHANGES IN NET POSITION</b>	617,852	353,028	724,369	1,733,857	(657,550)	2,181,234	2,043,804	1,878,293	(2,133,338)	1,802,331	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	5,344,603	5,962,455	6,315,483	7,039,852	8,773,709	8,116,159	10,297,393	12,341,197	14,219,490	12,086,152	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$5,962,455	\$6,315,483	\$7,039,852	\$8,773,709	\$8,116,159	\$10,297,393	\$12,341,197	\$14,219,490	\$12,086,152	\$13,888,483	
<b>AVERAGE INVESTMENT RETURNS *</b>	6.57%	-0.33%	7.70%	14.70%	-6.98%	19.77%	15.27%	13.46%	-18.56%	14.80%	

\* Calculated as investment income divided by the average net position balance for the year.

LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

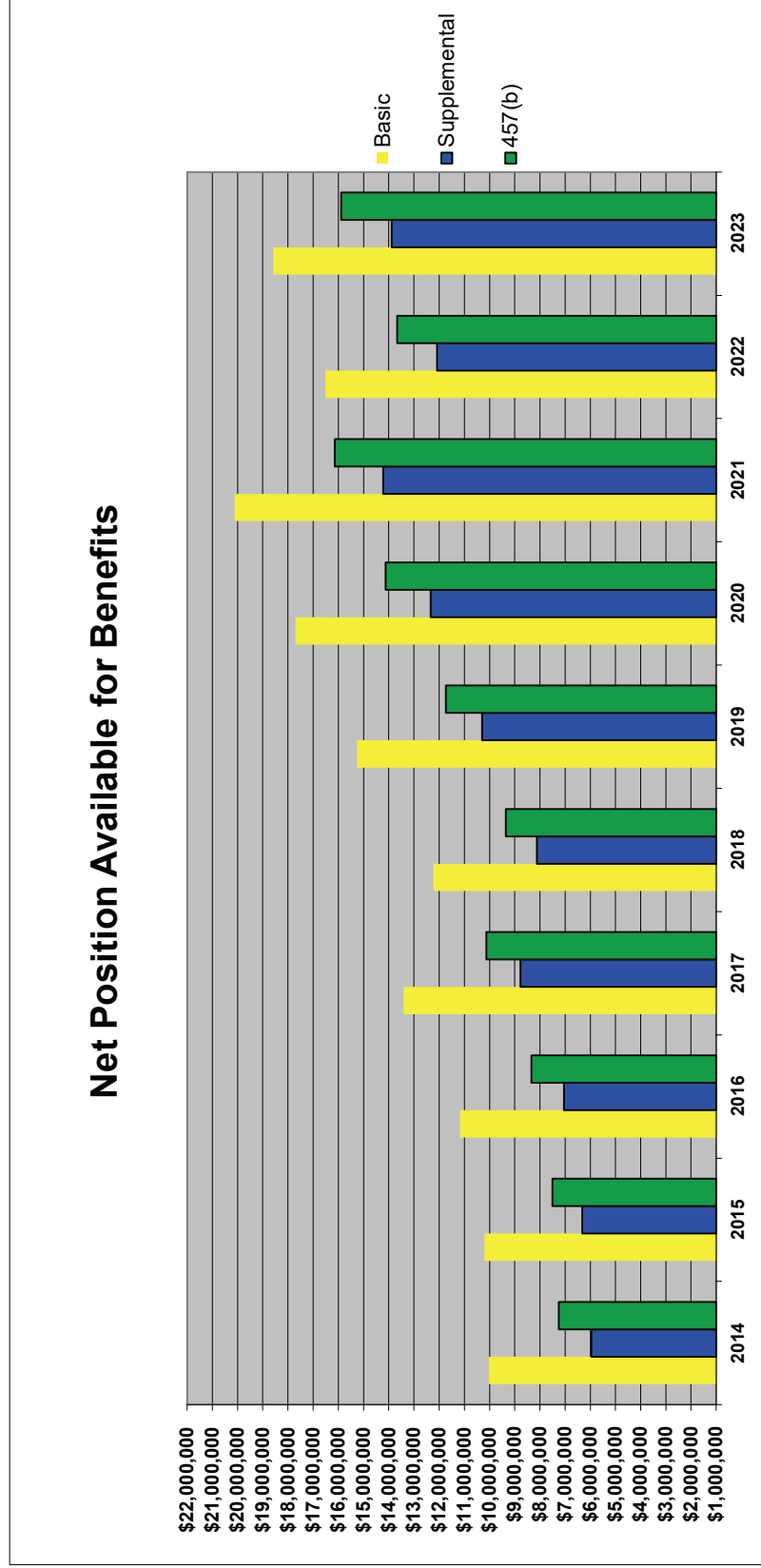
Historical Statements of Changes in Net Position Available for Benefits and  
 Plan Investment Returns  
 Plan Years Ended December 31 for the Years Shown  
 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-YEAR TOTALS
<b>ADDITIONS</b>											
Investment Income (Loss)	\$443,413	(\$20,042)	\$600,939	\$1,361,698	(\$607,006)	\$2,036,026	\$2,031,640	\$1,983,734	(\$2,830,365)	\$2,227,391	\$7,227,428
Contributions:											
Participant	298,622	307,587	347,995	357,191	372,226	397,115	427,164	446,108	462,252	469,551	3,885,811
Employer	166,231	171,849	191,089	192,713	190,946	196,556	204,068	212,565	223,626	229,951	1,979,594
Total additions	908,266	459,394	1,140,023	1,911,602	(43,834)	2,629,697	2,662,872	2,642,407	(2,144,487)	2,926,893	13,092,833
<b>DEDUCTIONS</b>											
Benefits paid to participants	(283,450)	(207,579)	(303,136)	(118,410)	(733,003)	(247,721)	(268,778)	(622,425)	(326,026)	(710,581)	(3,821,109)
Distribution service fees	(480)	(550)	(600)	(320)	(480)	(800)	(500)	(400)	(500)	(750)	(5,380)
Total deductions	(283,930)	(208,129)	(303,736)	(118,730)	(733,483)	(248,521)	(269,278)	(622,825)	(326,526)	(711,331)	(3,826,489)
<b>CHANGES IN NET POSITION</b>	624,336	251,265	836,287	1,792,872	(777,317)	2,381,176	2,393,594	2,019,582	(2,471,013)	2,215,562	
<b>NET POSITION AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	6,622,178	7,246,514	7,497,779	8,334,066	10,126,938	9,349,621	11,730,797	14,124,391	16,143,973	13,672,960	
<b>NET POSITION AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$7,246,514	\$7,497,779	\$8,334,066	\$10,126,938	\$9,349,621	\$11,730,797	\$14,124,391	\$16,143,973	\$13,672,960	\$15,888,522	
<b>AVERAGE INVESTMENT RETURNS *</b>	6.39%	-0.27%	7.59%	14.75%	-6.23%	19.32%	15.72%	13.11%	-18.98%	15.07%	

\* Calculated as investment income divided by the average net position balance for the year

LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

Financial Trend Information  
 Plan Years Ended December 31 for the Years Shown  
 (Unaudited)



LOUISIANA LOTTERY CORPORATION  
 BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
 STATE OF LOUISIANA

Operating Information - Participation and Deferral Trends  
 Plan Years Ended December 31 for the Years Shown  
 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>401(a) Basic Plan</b>										
Number of Participants	112	113	109	108	107	105	103	106	110	100
Total Annual Participant Deferrals	\$326,123	\$333,248	\$341,189	\$348,778	\$347,853	\$357,563	\$357,079	\$370,694	\$395,119	\$405,673
Net Position Available for Benefits	\$10,034,078	\$10,216,133	\$11,183,273	\$13,413,542	\$12,225,693	\$15,261,122	\$17,697,602	\$20,117,008	\$16,509,397	\$18,587,082

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>401(a) Supplemental Plan</b>										
Number of Participants	103	104	100	99	99	98	96	98	101	92
Total Annual Employer Contributions	\$437,302	\$451,090	\$461,795	\$475,618	\$475,480	\$486,326	\$490,437	\$505,536	\$534,991	\$554,315
Net Position Available for Benefits	\$5,962,455	\$6,315,483	\$7,039,852	\$8,773,709	\$8,116,159	\$10,297,393	\$12,341,197	\$14,219,490	\$12,086,152	\$13,888,483

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>457(b) Retirement Plan</b>										
Number of Participants	92	89	89	90	85	86	86	89	89	82
Total Annual Participant Deferrals	\$298,622	\$307,587	\$347,985	\$357,191	\$372,226	\$397,115	\$427,164	\$446,108	\$462,252	\$469,551
Average Deferral per Participant	\$3,246	\$3,456	\$3,910	\$3,969	\$4,379	\$4,618	\$4,967	\$5,012	\$5,194	\$5,726
Annual Covered Payroll	\$5,476,300	\$5,650,036	\$5,763,152	\$5,910,213	\$5,890,541	\$6,189,870	\$6,102,384	\$6,283,420	\$6,714,465	\$6,865,573
Deferrals Percentage of Compensation	5.45%	5.44%	6.04%	6.04%	6.32%	6.42%	7.00%	7.10%	6.88%	6.84%
Net Position Available for Benefits	\$7,246,514	\$7,497,779	\$8,334,066	\$10,126,938	\$9,349,621	\$11,730,797	\$14,124,391	\$16,143,973	\$13,672,960	\$15,888,522





**OTHER REPORT REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.



June 24, 2024

Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

**LOUISIANA LOTTERY CORPORATION  
BASIC, SUPPLEMENTAL, AND 457(b) RETIREMENT PLANS  
STATE OF LOUISIANA**

Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Louisiana Lottery Corporation (Corporation) Basic, Supplemental, and 457(b) Retirement Plans (the Plans) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements, and have issued our report thereon dated June 24, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plans' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

ND:JM:BH:BQD:aa

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