Principal®

Investing

Gain simple insights to help with your investing strategy.

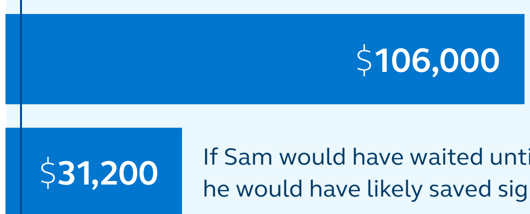
New to investing or just need a quick review of the basics?

See **five investing tips** that may be right for you.

Educating yourself is a smart move. And it only takes a few minutes to gain helpful tips. No matter how new or experienced you are at investing, keep your long-term retirement goal in mind. What do you hope to do during retirement? Perhaps you look forward to more time enjoying your current lifestyle. Or you may want to travel or take on new adventures. Regardless of your plans, you'll want to consider how much income you'll need to make them happen.

1 Investing early

Want to begin investing, but don't have much to get started? That's OK. Starting early, even with a small amount, may result in higher savings over time. For example, let's see how contributing $50 biweekly for 30 years versus 15 years may have impacted Sam's retirement savings:



Sam started contributing to his retirement account at age **25**.

If Sam would have waited until he was **40** to start contributing, he would have likely saved significantly less.

Like all good habits, it's easier to start off right than to try to make up for lost time later. As you develop sound savings habits, it will likely be easier to save more as you earn more.

The chart is for illustrative purposes only. The total employee contribution after 30 years is $39,000 (starting at age 25) and $19,500 (starting at age 40). The retirement balance (potential future value) assumes a 6% annual rate of return on their savings. The assumed rate of return in this chart is hypothetical and does not guarantee any future returns nor represent the returns of any particular investment. Amounts do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

2 Diversifying your investments

Hoping to make the most of the dollars you're investing? Selecting a variety of investments from different asset classes or "risk levels"—also known as diversification—may help reduce the ups and downs of investing. Investments and the market are continuously impacted by environmental, economic, and political changes. Some changes have a positive impact and others have a negative impact.

By diversifying your investments, you may be able to minimize the potential negative impacts—and maximize the potentially positive impacts. It's important to know that asset allocation and diversification do not ensure a profit or protect against a loss.

3 Knowing your comfort level with risk and your years to retirement

Risk and years to retirement are probably not on your list of favorite topics. But when these two are aligned, they may help you make informed investment choices. If you're nearing retirement, you may not want to take on much risk, and you may be more comfortable with investments that typically have lower risk levels and return potential. However, if you have several years until retirement, you may be willing to take on more risk—and may be comfortable with investments that offer generally higher growth potential. Keep in mind, with higher growth potential there is also the potential for a greater loss.

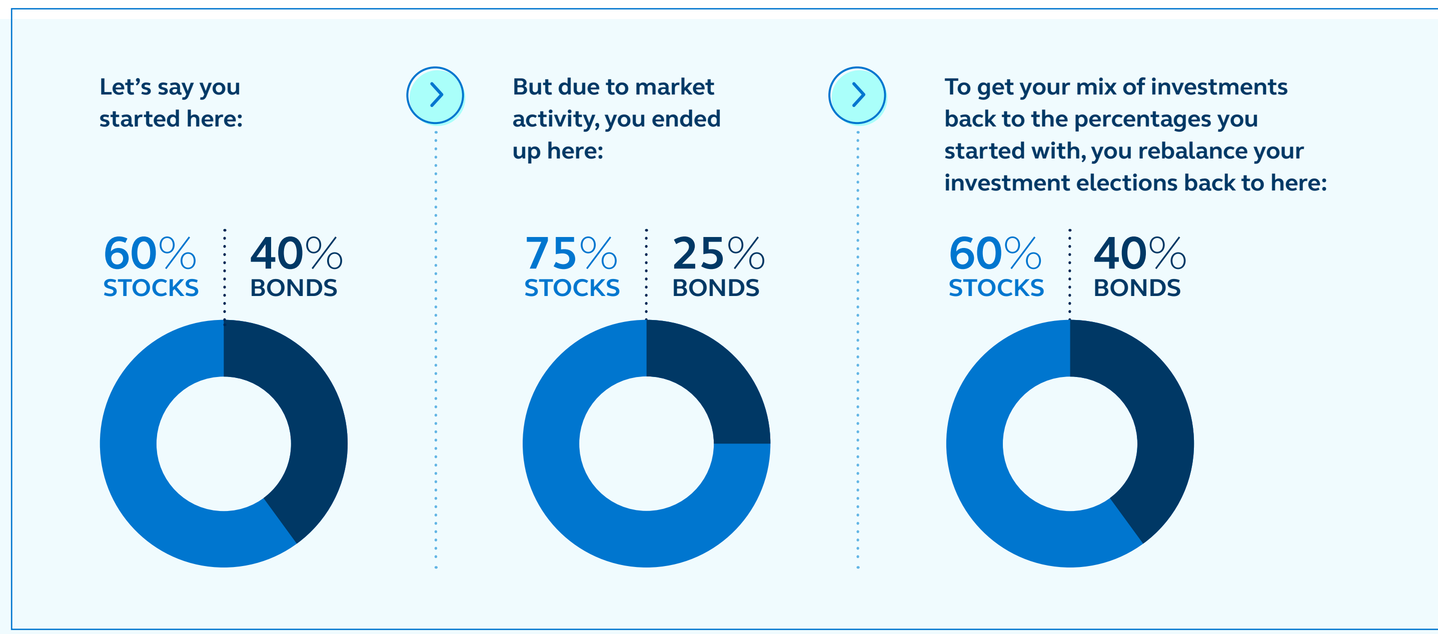
Want help determining your investor profile?

Take our short quiz at **principal.com/investorprofilequiz** and get some extra help deciding what mix of investment options may be right for you based on various risk levels and asset classes.

4 Keeping your investment selections in line

Do you ever wonder if your investments are on track? Over time, markets change and some investment options may perform better and grow faster than others—causing your investment mix to differ from what you originally selected.

Rebalancing can help reset your investment options based on your original goals.



You have a few options when it comes to rebalancing:

- Rebalance as life events occur.
- Choose to automatically rebalance your account—quarterly, semiannually, or annually—based on which time frame fits your personal financial goals.
- Or maybe you've decided that the shift in value of investments is actually more in line with your future goals—that's OK too. You don't have to rebalance.

5 Avoiding emotional decisions

Do you panic at the thought of market ups and downs? You're not alone. Individuals generally feel a bit nervous as they watch the market in action. You can't control market volatility, but understanding that it's a normal part of investing and sticking with your long-term plan might help lessen some of the stress.

History tells us that over time the market generally bounces back from periods of volatility. Even the worst market declines have generally been followed by a significant recovery. A year after the 2008/2009 market drop, it rebounded by **53.6%***

As you invest, keep these tips in mind.

As you review your retirement strategy, remember it's intended to be a snapshot of your finances and your goals at a point in time. As time passes, your needs can change, and your plans may need to change along with them. We're here to help you get and stay on track.

Log into your account at **principal.com** and click on the **Investment** tab to view or make changes to your investments.

*Source: Wilshire Compass—reflects S&P 500 Index returns. The S&P 500© is an unmanaged index and investors cannot invest directly in an index.

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Investing involves risk, including possible loss of principal. Asset allocation and diversification do not ensure a profit or protect against a loss.

Past performance does not guarantee future results.

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Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investments are subject to interest rate risk; as interest rates rise their value will decline.

Increasing your contribution does not guarantee you put yourself in a better spot.

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