



## **EDGE ASSET MANAGEMENT, INC.**

601 Union Street, Suite 2200  
Seattle, Washington 98101  
(206) 913-5800  
[www.edgeassetmgt.com](http://www.edgeassetmgt.com)

October 18, 2012

This brochure provides information about the qualifications and business practices of Edge Asset Management, Inc. ("Edge"). Please contact us at (206) 913-5800 with any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Edge Asset Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Edge Asset Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Material Changes**

This amended brochure dated October 18, 2012 replaces the previous brochure dated August 15, 2012. No material changes have been made to the brochure; however, it has been revised to reflect corrected fee schedules set forth in Item 5.

### **Item 3 - Table of Contents**

	<u>Page</u>
Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	4
Item 6 – Performance Based Fees and Side-by-Side Management.....	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	15
Item 10 – Other Financial Industry Activities and Affiliations.....	15
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	16
Item 12 – Brokerage Practices.....	17
Item 13 – Review of Accounts.....	20
Item 14 – Client Referrals and Other Compensation.....	21
Item 15 - Custody.....	21
Item 16 – Investment Discretion.....	21
Item 17 – Voting Client Securities.....	22
Item 18 – Financial Information.....	22
Item 19 – Requirement for State Registered Investment Advisers.....	22

#### **Item 4 – Advisory Business**

Edge Asset Management, Inc. (“Edge”) was incorporated on March 23, 1944 as Bond Research Corporation. In 1952, the company changed its name to Composite Research & Management Co. In 1982, the company was acquired by Washington Mutual Savings Bank and later changed its name to WM Advisors, Inc. in 1998. On December 31, 2006, the company was acquired by Principal Management Corporation (“PMC”) and renamed Edge. Today, Edge is a direct, wholly-owned subsidiary of PMC and is an indirect subsidiary of Principal Financial Group, Inc., a publicly held company that is traded on the New York Stock Exchange under the ticker symbol PFG.

Edge provides investment advisory services primarily to various portfolios of registered investment companies and other institutional investors. Edge specializes in value equities, taxable fixed-income and asset allocation strategies.

Advisory services may be tailored to meet the needs of individual clients, based on a mutually agreed upon model. Clients may impose restrictions on investing in certain securities or types of securities. This most often occurs when clients request certain social investing needs be addressed, such as through the use of mutual funds which avoid investments in certain companies. Other restrictions may be imposed by clients with respect to the (average or longest) maturity or credit quality of fixed income investments.

##### **Managed Account Advisory Services/Wrap Fee Programs**

Edge provides investment advisory services in connection with managed account advisory services also known as wrap fee programs sponsored by broker-dealers, banks or other investment advisers affiliated with broker-dealers where a model portfolio is provided to the program sponsor or their designate based upon a mutually agreed upon frequency. The delivery of changes to the model portfolio typically occurs after similar changes have been implemented or may be in the process of implementation, across institutional accounts managed by Edge. Edge receives a portion of the wrap fee for the services performed by Edge. Principal Global Investors implements the placement of trades in wrap fee program client accounts and other agreed upon duties.

As of September 30, 2012, Edge managed \$20.9 billion in total assets under management on a fully-discretionary basis.

#### **Item 5 – Fees and Compensation**

##### **Our Fees**

All management fee arrangements are subject to negotiation. The specific manner in which management fees are paid is established in a written agreement between the client and Edge. Investment advisory contracts with registered investment companies are subject to annual renewal by the respective registered investment companies’ boards of directors in accordance with requirements under the Investment Company Act of 1940.

##### **How Fees Are Paid**

Annual management fees are computed and paid monthly in arrears at annual rates (percentages) of the portfolios' net assets allocated to Edge's management as of the first day of the month. The contractually agreed upon rates at which Edge is compensated vary on a portfolio-by-portfolio basis depending upon the natures of the portfolios' investments. Accounts initiated during a calendar quarter will be charged a prorated fee.

### **Cancellation and Termination of Agreement**

Investment advisory contracts may be terminated at any time, by either party, upon receipt of 60 days written notice or as negotiable. Accounts terminated during a calendar quarter will be charged a prorated fee.

### **Fee Schedule**

Management fee schedules, based upon asset classes and/or stated portfolios are provided below for segregated, discretionary, individually managed portfolios, unaffiliated client portfolios subject to the stated minimum account sizes. Management fees may be subject to negotiation as appropriate.

<b><u>Equity Strategies</u></b>	<b><u>Fee Schedule</u></b>
Capital Appreciation	0.60% on the first \$50 mm 0.55% on the next \$50 mm 0.45% on the next \$100 mm Negotiable on all thereafter
Large Cap Value	0.55% on the first \$50 mm 0.50% on the next \$50 mm 0.45% on the next \$100 mm Negotiable on all thereafter
International Equity	0.60% on the first \$50 mm 0.55% on the next \$50 mm 0.50% on the next \$100 mm Negotiable on all thereafter
Mid Cap Core	0.75% on the first \$100 mm 0.65% on the next \$150 mm Negotiable on all thereafter
Small to Mid-Cap Value Small to Mid-Cap U.S. Value	0.85% on the first \$100 mm 0.80% on the next \$150 mm 0.75% on the next \$100 mm Negotiable on all thereafter
U.S. Large Cap Growth Index U.S. Small Cap Growth Index	0.15% on the first \$50 mm 0.10% on the next \$50 mm 0.07% on the next \$100 mm Negotiable on all thereafter

<b><u>Fixed Income Strategies</u></b>	<b><u>Fee Schedule</u></b>
Core Plus	0.35% on the first \$50 mm 0.30% on the next \$50 mm 0.25% on the next \$50 mm 0.20% on all thereafter
High Yield I	0.55% on the first \$50 mm 0.50% on the next \$50 mm Negotiable thereafter
Investment Grade Corporate	0.30% on the first \$50 mm 0.25% on the first \$50 mm 0.20% on the next \$50 mm 0.15% on all thereafter
Mortgage Securities	0.30% on the first \$50 mm 0.25% on the next \$50 mm 0.20% on the next \$50 mm 0.15% on all thereafter
Short Term Income	0.30% on the first \$50 mm 0.25% on the next \$50 mm 0.20% on the next \$50 mm 0.15% on all thereafter
<b><u>Asset Allocation</u></b>	<b><u>Fee Schedule</u></b>
Asset Allocation	0.60% on the first \$50 mm
Balanced Asset Allocation	0.50% on the next \$50 mm
Conservative Balanced Asset Allocation	0.40% on the next \$100 mm
Conservative Growth Asset Allocation	Negotiable on all thereafter
Flexible Income Asset Allocation	
Strategic Growth Asset Allocation	

### **Managed Account Advisory Services/Wrap Fee Programs Fees**

The annual fees paid to Edge by a wrap program sponsors generally range from 0.25% to 0.85% of the market value of the client's account and may vary based upon the arrangement and/or by asset style e.g., fees for fixed income styles typically are lower than fees for equity styles. Actual investment advisory fees incurred by clients may vary. The fees may be paid through an investment adviser where Edge's fee would be a portion of the management fee as a sub-adviser to the wrap fee program. Some wrap programs provide for the wrap fee (including the portfolio management portion payable to Edge out of that wrap fee) to be paid by the client before the services are rendered to the client by Edge, while some wrap programs provide for the wrap fee (and Edge's portfolio management portion) to be paid in arrears by the client after Edge provides services for the period covered by the fee. In the event the wrap program provides for prepayment of fees by the client, the client is directed to the program sponsor's brochure for information concerning termination and refund conditions and procedures.

## **Other Fees or Expenses Paid in Connection with Advisory Services**

Edge's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Edge's fee. Edge does not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors that Edge considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Edge and its supervised persons do not accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Fee rebates may also be exercised for client accounts that exceeded a percentage of the annual management fee.

## **Item 6 – Performance Based Fees and Side-by-Side Management**

Edge does not charge any performance-based fees nor does it manage accounts which impose performance-based fees.

## **Item 7 – Types of Clients**

Edge provides investment management services to registered investment companies and other institutional investors such as corporations, collective investment trusts and other pooled investment vehicles.

Edge will generally not manage accounts under \$25,000,000 in market value. The minimum account size for the managed account or wrap programs that Edge participates in are generally \$100,000, although the investment minimum differs from program to program and is determined by wrap program sponsor not Edge.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Edge offers a broad array of equity, fixed-income and asset allocation strategies to help its clients meet their investment objectives and goals. Each of these strategies involves the risk of loss resulting from the purchase and sale of securities, which each client should be prepared to bear. While Edge seeks to reduce non-compensated risk to which a client may be exposed, other risks (including but not limited to the risk of a general financial market decline) may be assumed in order to seek to attain investment objectives and goals of the client. However, Edge cannot provide any guarantee that the client's goals and objectives will be achieved.

## Equity Strategies

Edge currently offers the Capital Appreciation, Large Cap Value, U.S. Large Cap Growth Index, Mid-Cap Core, Small Mid-Cap Value, Small Mid Cap U.S. Value, U.S. Small Cap Growth Index and International strategies (collectively, the “Equity Strategies”), which primarily invest in the common stocks of U.S. and foreign corporations. Each of the Equity Strategies maintains a long-term focus and, on average, holds stocks between three and six years.

The actively managed Equity Strategies applies a four step process towards investing that includes (i) quantitative screens, (ii) fundamental research, (iii) stock selection & portfolio construction, and (iv) risk management. The Equity Strategies seek to invest in stocks with attractive risk/reward characteristics. Edge screens companies using traditional financial metrics, such as measures of profitability, revenues, sales growth, price ratios and market capitalization. Edge then conducts fundamental research to understand industry trends and characteristics, and to identify companies that are attractive investment opportunities by evaluating its business model, competitive advantage, financials, dividend growth and industry-specific metrics in comparison to its industry peers.

The Capital Appreciation strategy seeks long-term growth of capital by investing in common stocks of companies across the capitalization spectrum. The benchmark for this strategy is the Russell 3000 Index.

The Large Cap Value strategy seeks a relatively high level of current income and long-term growth of income and capital by investing primarily in the common stocks of U.S. large-cap companies. The benchmark for this strategy is the Russell 1000 Value Index.

The U.S. Large Cap Growth Index strategy seeks investment returns that correspond generally to the price and yield performance of the large capitalization growth sector of the U.S. equity market, as represented by the Russell 1000 Growth Index. The benchmark for this strategy is the Russell 1000 Growth Index.

The Mid Cap Core strategy seeks long term growth of capital by investing primarily in the common stocks of U.S. companies in the medium market capitalization range. The benchmark for this strategy is the S&P Mid Cap 400 Index.

The Small Mid-Cap Value strategy seeks a relatively high level of current income and long-term growth of income and capital by investing primarily in common stocks of small and mid-cap U.S. companies. The benchmark for this strategy is the Russell 2500 Value Index

The Small Mid-Cap U.S. Value strategy seeks a relatively high level of current income and long term growth of income and capital by investing exclusively in the common stock of small and mid-cap U.S. companies. The benchmark for this strategy is the Russell 2500 Value Index.

The U.S. Small Cap Growth Index strategy seeks investment returns that correspond generally to the price and yield performance of the small capitalization growth sector of the U.S. equity market, as represented by the Russell 2000 Growth Index. The benchmark for this strategy is the Russell 2000 Growth Index.



The International strategy seeks long-term capital appreciation by investing in the equity securities of international companies with market capitalizations in excess of \$1 billion. The benchmark for this strategy is the MSCI EAFE Index.

### **Types of Equity Risk**

The material risks common to each of the Equity Strategies are as follows:

*Emerging Market Risk:* Risk which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.

*Equity Securities Risk:* Equity securities, which include common, preferred or convertible preferred stocks, could decline in value if the issuer's financial condition declines or in response to overall market or economic conditions. A strategy's primary market segment, such as large-cap, mid-cap or small-cap stocks, or growth or value stocks, may underperform other market segments. Investments in smaller or mid-sized companies may involve greater risk and price volatility than investments in larger, more mature companies.

*Convertible Securities Risk:* Convertible securities can be bonds, notes, debentures, preferred stock or other securities which are convertible into common stock. Convertible securities are subject to both the credit and interest rate risks associated with fixed income securities and to the stock market risk associated with equity securities.

*Currency Risk:* Risk which is the chance that the value of a foreign investment, measured in U.S. Dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

*Derivatives Risk:* Transactions in derivatives (such as options, futures, and swaps) may increase volatility, cause liquidation of portfolio positions when not advantageous to do so and produce disproportionate losses.

*Foreign Securities Risk:* Transactions in foreign securities risk includes the loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and restrictions; settlement delays and limited government regulation.

*Initial Public Offerings (IPOs) Risk:* The market for IPO shares may be volatile, continued access to IPO offerings cannot be assured, and a fund may dispose of IPO shares shortly after their acquisition which may result in increased portfolio turnover as well as increased expenses such as commissions and other transaction costs.

*Manager Risk:* Risk which is the change that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the strategy to underperform relevant benchmarks or other strategies with a similar investment objective.

*Master Limited Partnership ("MLP") Risk:* Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on

matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risk. As partnerships, MLPs may be subject to less regulation (and less protection for investors) under state laws than corporations. MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of distributable cash flow). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios.

*MLP Tax Risk:* MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income an MLP pays to its investors. MLPs do not pay U.S. federal income tax at the partnership level. Rather, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, or a change in the underlying business mix of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned by a mutual fund were treated as corporations for U.S. federal income tax purposes, it could result in a reduction in the value of its investment in the Fund and lower income.

*Preferred Securities Risk:* Preferred securities are junior subordinated securities in a company's capital structure and therefore can be subject to greater credit and liquidation risk.

*Real Estate Securities Risk:* Real estate securities (including REITS) are subject to the risks associated with the direct ownership of real estate, including declines in value, adverse economic conditions, an increase in expenses, regulatory changes and environmental problems.

*Real Estate Investment Trusts ("REITs") Risk:* A REIT could fail to qualify for tax-free pass-through of income under the Internal Revenue Code, and investors will indirectly bear their proportionate share of the expenses of REITs in which a portfolio invests.

*Royalty Trust Risk:* A royalty trust generally acquires an interest in natural resource or chemical companies and distributes the income it receives to its investors. A sustained decline in demand for natural resources and related products could adversely affect royalty trust revenues and cash flows. Such a decline could result from a recession or other adverse economic conditions, an increase in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs or a shift in consumer demand. Rising interest rates could adversely affect the performance and limit the capital appreciation of royalty trusts because of the increased availability of alternative investments at more competitive yields. Investors will indirectly bear their proportionate share of the royalty trusts' expenses.

*Stock Market Risk:* Risk which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

*Underlying Fund Risk:* To the extent that an Equity or Fixed Income Strategy is used as an underlying fund of a "fund-of-funds" strategy, it may experience large redemptions or investments as the fund-of-

funds reallocates or rebalances its assets. These transactions may cause the underlying fund to sell portfolio securities to meet such redemptions, or to invest cash from such investments, at times it would not otherwise do so and may result in increased transactions costs and adversely affect underlying fund performance.

*Value Stock Risk:* The market may not recognize the intrinsic value of value stocks for a long time, or they may be appropriately priced at the time of purchase.

Although frequent trading is not a strategy utilized by the Equity Strategies, it can occur. Frequent trading can affect investment performance through increased brokerage and other transactions costs and taxes.

### **The Fixed Income Strategies**

Edge currently offers the Core Plus, Investment Grade Corporate, Short Term Income, Mortgage Securities, and High Yield strategies (collectively, the “Fixed Income Strategies”), which invest primarily in fixed income securities including, but not limited to, corporate bonds, asset-backed and mortgage-backed securities, and securities issued by the U.S. Government, its agencies or instrumentalities. The Fixed Income Strategies seek to invest in attractively priced securities that Edge has identified to be out of favor or undervalued. Once Edge has deemed an individual issue or sector to be undervalued, Edge will then analyze each individual security to identify the most favorable investment opportunities.

The actively managed Fixed Income strategies applies a disciplined-neutral approach that combines top-down strategy with bottom-up fundamental research supported at each step with rigorous risk controls. Our four step process towards investing includes (i) idea generation, (ii) fundamental research, (iii) portfolio construction & issue selection and (iv) portfolio monitoring & risk management. The actively managed Fixed Income Strategies evaluates macroeconomic landscape & analyzes sector and credit conditions. The fundamental research includes performing sector, industry, issuer, and issue analysis to identify attractive investment opportunities. Portfolio construction is based upon integration of macro, sector & industry themes focusing on attractively priced securities to maximize risk adjusted returns.

The Core Plus strategy seeks a high level of current income consistent with the preservation of capital by investing in a broad array of fixed income securities. The benchmark for this strategy is the Barclays Capital U.S. Aggregate Index.

The Investment Grade Corporate strategy seeks a high level of current income consistent with the preservation of capital by investing primarily in corporate bonds. The benchmark for this strategy is the Barclays Capital U.S. Corporate Index.

The Short Term Income strategy seeks a high level of current income consistent with the stability of principal by investing primarily in high quality short-term fixed income securities that are deemed to be investment grade at the time of purchase. The benchmark for this strategy is the Barclays Capital U.S. Credit 1-3 Year Index.

The Mortgage Securities strategy seeks to provide a high level of current income consistent with stability and liquidity by investing primarily in securities issued by the U.S. government, its agencies and instrumentalities, and other high quality mortgage-backed securities. The strategy does not invest in

securities deemed to be below-investment grade at the time of purchase. The benchmark for this strategy is the Barclays Capital U.S. MBS: Agency Fixed Rate Index.

The High Yield strategy seeks a high level of current income by investing primarily in high-yield, below-investment grade fixed income securities. The benchmark for this strategy is the Barclays Capital U.S. Corporate High Yield Ba/B Constrained 2% Index.

### **Types of Fixed Income Risk**

The material risks that are common for each of the Fixed Income Strategies are as follows:

*Fixed Income Securities Risk:* All fixed income securities are subject to interest rate and credit quality risk. The market value of fixed income securities generally declines when interest rates rise and an issuer of fixed income securities may default on its payment obligations.

*Concentration Risk:* A strategy that concentrates investments in a particular industry or group has greater exposure than other strategies to market, economic and other factors affecting the industry or group.

*Credit Risk:* Risk which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

*Derivatives Risk:* Transactions in derivatives (such as options, futures, and swaps) may increase volatility, cause liquidation of portfolio positions when not advantageous to do so and produce disproportionate losses.

*Duration Risk:* Duration is a measure of the expected life of a fixed income security and its sensitivity to changes in interest rates. The longer a portfolio's average duration, the more sensitive the fund will be to changes in interest rates.

*Foreign Securities Risk:* Transactions in foreign securities risk includes the loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and restrictions; settlement delays and limited government regulation.

*Interest Rate Risk:* Risk which is the chance that bond prices overall will decline because of rising interest rates.

*Liquidity Risk:* Risk which is the chance that the strategy could experience difficulties in valuing and selling illiquid high-yield bonds or loans. In the event the strategy needs to sell a portfolio security during periods of infrequent trading of the security, it may not receive full value for the security.

*Manager Risk:* Risk which is the change that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the strategy to underperform relevant benchmarks or other strategies with a similar investment objective.

*Prepayment Risk:* Unscheduled prepayments on mortgage-backed and asset-backed securities may have to be reinvested at lower rates. A reduction in prepayments may increase the effective maturities of these securities, exposing them to the risk of decline in market value over time.

*Real Estate Securities Risk:* Real estate securities (including REITS) are subject to the risks associated with the direct ownership of real estate, including declines in value, adverse economic conditions, increased expenses, regulatory changes and environmental problems.

*Underlying Fund Risk:* To the extent that an Equity or Fixed Income Strategy is used as an underlying fund of a “fund-of-funds” strategy, it may experience large redemptions or investments as the fund-of-funds reallocates or rebalances its assets. These transactions may cause the underlying fund to sell portfolio securities to meet such redemptions, or to invest cash from such investments, at times it would not otherwise do so and may result in increased transactions costs and adversely affect underlying fund performance.

*U.S. Government Securities Risk:* Yields available from U.S. government securities are generally lower than yields from other fixed income securities.

*U.S. Government Sponsored Securities Risk:* Securities issued by U.S. government sponsored enterprises such as FHLMC, FNMA and the Federal Home Loan Bank are not issued or guaranteed by the U.S. Treasury.

The Core Plus and High Yield strategies are also subject to *High Yield Securities Risk*, in which high yield fixed income securities are subject to greater credit quality risk than higher rated fixed income securities and should be considered speculative.

The Core Plus, Investment Grade Corporate, Short Term Income, and High Yield strategies are also subject to *Foreign Securities Risk*, which includes the loss of value as a result of: political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and restrictions; settlement delays and limited government regulation.

Although frequent trading is not a strategy utilized by the Fixed Income Strategies, it can occur. Frequent trading can affect investment performance through increased brokerage and other transactions costs and taxes.

### **Asset Allocation Strategies**

Edge currently offers asset allocation strategies which seek to maximize returns at specified levels of risk. The Asset Allocation, Flexible Income, Conservative Balanced, Balanced, Conservative Growth and Strategic Growth strategies (collectively, the “Asset Allocation Strategies”) invest in a diverse mix of equity and fixed income securities. These strategies may also be executed in a “fund-of-funds” structure, in which investments are made in various mutual funds that invest in equity and fixed-income securities.

The Asset Allocation Strategies are intended for long-term investors and each of our five portfolios has different levels of targeted investment risk and reward. The portfolios are composed of a diverse mix of 28 asset classes utilizing our long term three step process toward investing including (i) long term strategic asset allocation, (ii) measured tactical asset allocation preferences, and (iii) active

implementation. Our long term strategic analysis focuses on analyzing historical risk-return correlations for each asset class to determine or revise asset class exposure targets. Edge then evaluates short-term economic conditions as well as relevant market forces to formulate measured tactical preferences among the various asset classes. Once the tactical preferences are determined, Edge will adjust investment positions by managing strategy specific positions and utilizing cash inflows and outflows to correspond with our asset allocation targets.

The Asset Allocation strategy seeks a medium level of income and capital growth consistent with a medium level of principal risk. This strategy invests directly in equity and fixed income securities.

The Flexible Income strategy seeks a high level of income and a low level of capital growth, with exposure to a low level of principal risk. This strategy is typically executed by utilizing a fund-of-funds structure.

The Conservative Balanced strategy seeks a medium to high level of income and a medium to low level of capital growth, with exposure to a medium to low level of principal risk. This strategy is typically executed by utilizing a fund-of-funds structure.

The Balanced strategy seeks a medium level of income and capital growth consistent with a medium level of principal risk. This strategy is typically executed by utilizing a fund-of-funds structure.

The Conservative Growth strategy seeks a low to medium level of income and a medium to high level of capital growth, with exposure to a medium to high level of principal risk. This strategy is typically executed by utilizing a fund-of-funds structure.

The Strategic Growth strategy seeks a high level of capital growth with a corresponding level of principal risk. This strategy is typically executed by utilizing a fund-of-funds structure.

### **Types of Asset Allocation Risk**

In addition to the risks common to the Equity and Fixed Income Strategies, which are described above, each of the Asset Allocation Strategies are subject to the following risks:

*Asset Allocation Risk:* a strategy's selection and weighting of asset classes and/or underlying funds may cause it to underperform other strategies with a similar investment objective.

*Conflict of Interest Risk:* for those strategies which utilize a fund-of-funds structure, Edge and its affiliates earn different fees from different underlying funds and may have an incentive to allocate more fund-of-fund assets to underlying funds from which they receive higher management fees.

*Investment Company Risk:* for those strategies which utilize a fund-of-funds structure, investors will bear indirectly their proportionate share of the expenses of other investment companies in which the strategy invests.

*Manager Risk:* Risk which is the change that poor security/fund selection or focus on securities/fund in a particular sector, category, or group of companies will cause the strategy to underperform relevant benchmarks or other strategies with a similar investment objective.

Although frequent trading is not a strategy utilized by the Asset Allocation Strategies, it can occur. Frequent trading can affect investment performance through increased brokerage and other transactions costs and taxes.

#### **Item 9 – Disciplinary Information**

Edge is not currently involved in any pending legal events or disciplinary actions that are viewed by management as having a materially adverse effect on Edge's business, operations, financial position or net income. Given the size and scope of the operations of the Principal Financial Group®, member companies of The Principal® are regularly involved in litigation, both as defendant and as plaintiff. However, Edge does not believe any pending litigation will have a material effect on Edge's business, financial position or net income.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Edge is under common control with Princor Financial Services Corporation ("Princor"), a broker-dealer registered with the SEC and a FINRA member firm that markets a variety of mutual funds, unit investment trusts and limited partnerships. Princor is the principal underwriter and distributor of institutional shares of a family of mutual funds organized by Principal Life Insurance Company ("Principal Life"). Edge currently does not conduct any brokerage business with Princor. Some members of Edge's staff, including one executive officer, are registered representatives of Princor but do not solicit investments to clients or prospective clients of Princor. Edge personnel are not eligible to receive compensation for any sales of securities made to Princor clients or prospective clients.

Edge is under common control with Principal Funds Distributor, Inc. ("PFD"), a broker-dealer registered with the SEC and a FINRA member firm. PFD is the principal underwriter and distributor of retail and institutional shares of a family of mutual funds organized by Principal Life. Edge currently does not conduct any brokerage business with PFD.

Edge provides investment advisory services to certain series of Principal Funds, Inc. and Principal Variable Contracts Fund, Inc., each an investment company organized by Principal Life (the "Funds").

Edge provides investment advisory services to an affiliate, Principal Global Investors Funds, which is organized in Ireland as an Undertaking for Collective Investment in Transferrable Securities ("UCITS") and are generally available to investors in Europe. Edge is under common control with Principal Global Investors (Ireland) Ltd. ("PGI-Ireland"), an investment adviser registered with the Central Bank of Ireland. PGI-Ireland serves as the Managing Director of the Principal Global Investors Funds.

Edge is a direct, wholly owned subsidiary of Principal Management Corporation ("PMC"), an investment adviser registered with the SEC. Edge has entered into sub-advisory agreements with PMC with respect to certain series of the Funds.

Edge is under common control with Principal Global Investors, LLC ("PGI"), an investment adviser registered with the SEC. PGI provides Edge various resources and services, including but not limited to, portfolio compliance, trade settlement, corporate actions processing, account reconciliation, human resources, sales and marketing, and information systems. Edge has entered into sub-advisory



agreements with PGI for different investment vehicles such as collective investment trust, UCITS and managed account advisory services. PGI implements the placement of trades in wrap fee program client accounts. Edge has common officers and directors with PGI.

Edge is under common control with Union Bond & Trust Company ("UBT"), a trust company organized under the laws of the state of Oregon. UBT may provide administrative services to collective investment trusts organized on behalf of Edge clients.

Edge is under common control with Principal Life, a life insurance company licensed in all 50 states and the District of Columbia. The Funds and other separate accounts sub-advised by Edge are organized by Principal Life and are sold by licensed agents of Principal Life. Edge and Principal Life may enter into a Subsidiary Expense Reimbursement Agreement pursuant to which Principal Life will furnish certain personnel, services and facilities used by Edge and Edge will reimburse Principal Life for its expenses incurred in that regard.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **Participation or Interest in Client Transaction & Personal Trading**

Edge recommends to its fund-of-funds clients the purchase of shares of affiliated mutual funds, for which Edge and its affiliates also provide advisory services. Edge may recommend securities to unaffiliated clients that are currently held in affiliated client portfolios or personally held by Edge's employees. Edge does not buy or sell for itself securities that it also recommends to clients. However, employees of Edge may personally buy or sell securities that Edge recommends to clients. Edge employees are subject to a Code of Ethics which is designed to resolve potential conflicts of interest related to employees personal securities trading activities. Access Persons shall not prefer his or her own interest to that of an advisory client nor make personal investment decisions based on investment decision of advisory clients.

#### **Code of Ethics**

Edge has adopted a written Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940. The Code was adopted to set standards of business conduct as a fiduciary and requires all Access Persons, as defined in the Code, to comply with all applicable federal securities laws. The principal objectives of the Code are (i) to provide policies and procedures consistent with applicable laws and regulations, including Rule 17j-1 under the Investment Company Act of 1940 and Rule 204A-1 the Investment Advisers Act of 1940; and (ii) to make certain that the personal trading and other business activities of Access Persons are conducted in a manner consistent with applicable law, regulations and the general principles set forth in the Code.

All Access Persons of Edge receive a copy of the Code at the beginning of their employment by or association with Edge and certify that they understand and will abide by the Code. Access Persons are also provided a copy of the Code whenever material amendments are made and they are required to certify, upon such amendment as well as on an annual basis that they understand and have complied with the Code.



The Code requires that Access Persons report any violations of the Code promptly to Edge's Chief Compliance Officer or compliance representative. Material violations of the Code will be reported to Edge's Board of Directors and may be reported to the client as appropriate.

To avoid conflicts of interest or the appearance of conflicts of interest with clients, Access Persons of Edge are subject to pre-clearance, holding and reporting requirements with respect to personal securities holdings. Access Persons must receive pre-approval from Compliance before trading a Covered Security, as defined in the Code, and generally may not trade a Covered Security for a period of seven calendar days before or after the Covered Security has been traded by any client account. Access Persons must hold affiliated mutual funds for a period of 60 calendar days before they can be sold. Covered Securities must be held for 30 calendar days before they can be sold. Access Persons are required to provide duplicate investment account statements to Edge for review and must certify personal securities transactions on a quarterly basis and personal securities holdings on an annual basis.

A copy of Edge's Code of Ethics will be provided to any client or prospective client upon written request.

## **Item 12 – Brokerage Practices**

### **Broker-Dealer Selection & Execution**

In executing portfolio transactions and selecting broker-dealers, Edge uses its best efforts to seek, on behalf of each client, the best overall terms available. In assessing the best overall terms available for any transaction, Edge may consider all factors it deems relevant including the breadth of the market in the security; the price of the security; the size of the transaction; the timing of the transaction; the reputation, financial condition, experience, and execution capability of a broker-dealer; and the amount of the commission and the value of any brokerage and research services (as those terms are defined in Section 28 (e) of the Securities Exchange Act of 1934, as amended) provided by a broker-dealer. Edge does not typically engage in the execution of any security transaction with affiliated broker-dealers.

The staff of the SEC has expressed the view that the best price and execution of over-the-counter transactions in portfolio securities may be secured by dealing directly with principal market makers, thereby avoiding the payment of compensation to another broker-dealer. In certain situations, Edge believes that the facilities, expert personnel, and technological systems of a broker-dealer often enable its clients to secure a net price by dealing with a broker-dealer that is as good as or better than the price they could have received from a principal market maker, even after payment of the compensation to the broker-dealer. Edge may place its over-the-counter transactions with principal market makers, but may also deal on a brokerage basis when utilizing electronic trading networks or as circumstances warrant.

### **Affiliated Transactions**

Edge typically does not engage in agency cross transactions, principal transactions, and proprietary trading. On a periodic basis, Compliance personnel will review the firm's trading activity to verify that such transactions have not taken place. If an affiliated transaction has occurred, the client will be notified and Edge will follow the client's policy and procedures.

## Research & Other Soft Dollar Benefits

Edge may receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"). The use of client funds to purchase brokerage and research services for its client accounts shall be within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Edge may pay broker-dealers who provide equity brokerage and research services a commission for executing a transaction on behalf of a client which is in excess of the amount of commission another broker-dealer would have charged for effecting the transaction. As a result of this practice, there is an incentive to select a broker-dealer based on its interest in receiving the research and/or services, rather than on its clients' interest in receiving most favorable execution. Notwithstanding the foregoing, in each instance, Edge must determine in good faith that such commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed in terms of that particular transaction or in terms of the overall responsibilities of Edge to each account over which Edge exercises investment discretion. Edge may pay commission dollars to brokers or financial institutions for specific equity research materials or products ("soft dollar services") that it considers useful in advising its clients. Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or group of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. As a matter of policy, Edge will not pay for soft dollar services with commissions generated by fixed income strategies.

The soft dollar services are expected to enhance Edge's general portfolio management capabilities for the benefit of any or all of its clients, some of which may otherwise be unobtainable. Edge does not have to produce or pay for the research, products or services. Edge's soft dollar benefits are intended to meet the requirements for qualification of the safe harbor under Section 28(e) of the Securities Exchange Act, as amended. Soft dollar research and product services furnished to Edge may include but are not limited to: written and/or electronic reports analyzing economic, financial, and portfolio characteristics; market data systems; portfolio evaluation and modeling tools, which assist with the investment decision making and trade execution processes. Products and services that do not qualify under the safe harbor under section 28(e) of the Securities Exchange Act include such services that do not aid in the investment decision and trade execution processes.

Edge may also commit to pay commission dollars/soft dollars along with its own funds for specific research materials or products ("mixed use service") that provide usefulness in advising its clients as well as having other non-research related uses. Edge will make a reasonable allocation of the cost between that portion which is research and that portion which is not. The eligible research portion may be paid with commission dollars and the non-eligible portion will be paid by Edge. Some of these soft dollar and mixed use services are of value to Edge in advising several of its clients, although not all of these services are necessarily useful and of value in managing the assets of any particular client, including the client on whose behalf a particular transaction is executed. The management fees paid to Edge are not reduced because they receive those brokerage or research services, even though they might otherwise be required to purchase these services for cash.

Edge's procedures to direct client transactions to a particular broker-dealer in return for soft dollar benefit entails a formalized approval process of such research to ensure that it qualifies under the safe

harbor, and selection of a broker-dealer for client transactions are based upon factors described above. This is followed by ongoing monitoring of soft dollar use and oversight by Edge's Investment Committee. In carrying out ongoing monitoring, on an annual basis, Edge's equity investment team conducts an internal survey regarding the value of proprietary research and the skills or contributions made by the various brokerage firms to Edge's investment process. Research paid for through third parties is also reviewed annually to determine its value and usefulness to the equity investment process.

### **Broker-Dealer Review**

The Investment Committee is responsible for approving all brokers prior to commencement of trading. Edge maintains a list of approved broker-dealers with whom Edge will execute securities transactions. Edge also performs annual due diligence reviews of approved broker-dealers, which are used by the Investment Committee to determine whether to retain or remove broker-dealers from the approved list. Edge also performs an annual review of research services paid for with soft dollars, which is used by the Investment Committee to evaluate soft dollar allocations for those services. The Investment Committee is also responsible for the oversight of allocation, division and reasonableness of commissions. The trader assigned to an account acts as an agent for the account in entering orders with broker-dealers to execute the portfolio transactions and in negotiating commission rates where applicable.

### **Trade Allocation**

Edge has adopted trade allocation procedures that are designed to treat all clients in a fair and equitable manner. Client orders are generally processed and executed on a first-in, first-out basis by a trader. When there are multiple orders for the same security and it is advantageous to the clients, Edge may aggregate the orders for a block execution. All clients participating in any aggregated transactions will receive an average share price with transaction costs being shared equally on a per share basis. If the full amount of the aggregated order is not filled, the partial amount actually executed will be allocated on a pro-rata basis among the participating clients. A portfolio manager has the discretion to instruct smaller orders in the same security to reduce cost and market impact. Edge's new issue allocation procedure includes that the shares allocated to the firm will be allocated among the participating accounts based on each client's unfilled indication, subject to rounding to "round lot" amounts. All client accounts participating in a new issue allocation shall receive the same net execution price.

### **Client Directed Brokerage**

In certain circumstances, clients may instruct Edge to direct brokerage to a particular brokerage firm. Edge will not participate in any directed brokerage practice unless it has received formal written instruction to do so by a client. All directed brokerage transactions shall be executed in accordance with Edge's best efforts to obtain best execution. It is the practice of Edge to obtain best execution and that if forced to choose between obtaining best execution or meeting the obligations of a directed brokerage agreement, Edge would seek to obtain best execution. This approach attempts to minimize the risk with potential conflict of interest, however, risks associated with such activity are still present and procedures have been adopted to approve, monitor and disclose Edge's practice.

Client directed brokerage arrangements possess limitations such as those outlined in the Bailey Case Disclosure that includes: (i) the adviser's inability under those circumstances to negotiate commissions

or obtain best execution; (ii) its inability to obtain volume discounts; (iii) that there may be a disparity in commission charges among clients; and (iv) any potential conflicts of interest arising from brokerage firm referrals. These limitations are present when transacting in such activity, however risk may vary as Edge's practice is to obtain best execution over directing brokerage.

The Investment Committee has the responsibility to oversee Edge's client directed brokerage practices. The Committee will review directed brokerage transactions and commissions on an ongoing basis to oversee the approximate target percentage or dollar amount of any applicable transactions and evaluate whether the transactions are consistent with Edge's best execution standards.

### **Managed Account Advisory Services/Wrap Fee Programs**

For separately managed account/wrap fee programs, Edge is only providing the model portfolio to the program sponsor or the investment adviser. Principal Global Investors implements the placement of trades in wrap fee program client accounts and other agreed upon duties. No assurance can be given that transactions executed in accordance with such directed brokerage arrangements result in the best execution available to the client. Separately Managed Account/Wrap fee programs ("SMA Programs") occasionally include client directed brokerage provisions. Typically, SMA Program clients pay a fee to the sponsor that covers, among other things, brokerage commissions for trades executed with the sponsor or the sponsor-designated broker-dealer but does not include brokerage commissions charged on trades executed with other broker-dealers. As a result, best execution decisions by Principal Global Investors for wrap fee program trades tend to favor use of the program sponsor or the sponsor-designated broker-dealer because of the commission expense, although other circumstances sometimes dictate that other brokers be used to achieve best execution. Depending on a variety of factors, including the amount of the wrap fee, the trading activity and the value of custodial and other services, the single fee may or may not exceed the separate costs of such services.

### **Item 13 – Review of Accounts**

All of Edge's client accounts are monitored by their assigned portfolio manager(s). Each account's holdings, performance, market value and cash are updated each business day and available for evaluation on a real-time basis. An automated compliance system reviews trades to ensure compliance with the respective account's investment guidelines. Every compliance alert generated by the system is evaluated by Edge's Compliance Department. Each account is assigned to an investment team, based upon each account's principal investment strategies and risks. For managed advisory service accounts, models are reviewed periodically and communicated to the program sponsor or the designated investment adviser.

The portfolio managers review their assigned accounts each business day and also conduct a review of the portfolios on a monthly and quarterly basis to reconfirm their sector allocation, company specific investment thesis and the specific position size for each investment. Portfolio managers also meet with the analysts on an informal and periodic basis to review specific securities within their assigned sectors. On a regular basis, the portfolio managers meets to discuss any changes or proposed changes in client accounts and receives updates from the analysts on sectors and individual securities. The Equity Investment Team includes the Head of Equity, portfolio managers and equity investment analysts.

The fixed income portfolio managers review their accounts each business day. The Fixed-Income Team is comprised of the Head of Fixed Income, portfolio managers and fixed income analysts. Each portfolio manager reviews its assigned client accounts on a regular basis as they monitor cash flows, interest payments received and maturities to determine the best way to invest cash holdings. Portfolio managers also meet with the fixed income analysts on an informal and periodic basis to review specific securities within their assigned sectors. Fixed Income Team meeting led by the Head of Fixed Income occurs on a regular basis. During these meetings the team discusses any changes or proposed changes in client accounts and receives updates from the analysts on sectors and individual securities.

The Asset Allocation Team reviews their accounts each business day, monitoring holdings, pricing and allocation of assets among underlying funds. Detailed analyses of underlying holdings are updated at least monthly and more often when market conditions are volatile or when a significant portfolio change is planned. The Asset Allocation Team consists of the Head of Asset Allocation, portfolio managers and investment analysts.

The Investment Committee reviews client accounts for exceptions, conflicts with investment restrictions and overall management on a periodic basis. The Investment Committee consists of the President, the Head of Asset Allocation, Head of Equity, Head of Fixed-Income, Chief Compliance Officer and the Director of Strategy & Operations.

Edge provides client reporting at the request of each client's needs. Monthly, quarterly and annual written commentaries may be provided which may include positive and negative contributors to performance during the period along with specific characteristics. Periodic certifications regarding Edge's practices and client account management are also provided at the request of each client.

#### **Item 14 – Client Referrals and Other Compensation**

Edge is not party to any arrangement whereby it compensates unaffiliated third parties for client referrals. Edge may obtain referrals from affiliated investment advisers and compensation may or may not be provided in such circumstances.

Edge and its employees do not receive any economic benefits, including sales awards and prizes, from a non-client in connection with providing advisory services to clients.

#### **Item 15 – Custody**

As a matter of policy, Edge and its employees are not permitted to accept or maintain custody of client assets, funds or securities.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Clients are urged to compare the account statements received from their qualified custodian with their own financial records. Edge's records may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

Edge has discretionary authority from its clients to select the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used to execute trades and the commission rates to be paid. In all cases, however, investment and brokerage discretion is to be exercised in a manner consistent with stated investment objectives and guidelines for the specific client account. For registered investment companies, Edge's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Edge in writing.

### **Item 17 – Voting Client Securities**

In accordance with Rule 206(4)-6 of the Investment Advisers Act, Edge has adopted proxy voting policies and procedures to fulfill its fiduciary obligation of voting proxies in the best interest of its clients.

In its capacity as an investment adviser Edge shall, except where Edge and the client have otherwise agreed, assist the client in voting proxies with respect to its portfolio securities to the extent that such proxies relate to matters involving investment judgment. In addition, the client may authorize Edge, in its capacity as advisor, to vote the client's proxies. In such cases, Edge is responsible for casting the proxy votes in a manner consistent with the best interests of the client.

Edge has engaged Institutional Shareholder Services, Inc. ("ISS") to assist in the voting of proxies. ISS provides research, analysis, reporting, and voting recommendations along with the processing of the vote submissions. ISS is also responsible for coordinating with the client's custodian to ensure that all proxy materials received by the custodian relating to the client's portfolio securities are processed in a timely fashion. Edge will vote all proxies in accordance with ISS proxy voting guidelines as long as it is in the best interest of the client. On the occasions when ISS's voting recommendations are not in the best interest of the client, Edge can instruct ISS to vote a specific proxy in a specific manner.

Clients may obtain information about how their proxies were voted or obtain a copy of Edge's proxy voting policies and procedures by contacting Edge at (206) 913-5800. If a client desires to vote a particular proxy solicitation, they must contact Edge not less than 2 business days prior to the proxy voting deadline.

Edge does not vote proxies on behalf of managed advisory accounts where Edge is merely supplying the model portfolio to the program sponsor or the investment adviser. Clients in managed account programs should contact the wrap free program sponsor to obtain information about how their proxies were voted or how to vote a particular proxy solicitation.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosure about their financial condition. Edge has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

**Item 19 – Requirement for State Registered Advisers**

Not applicable to Edge.



# PRIVACY NOTICE

This Notice is provided on behalf of Edge Asset Management, Inc.,  
A member of the Principal Financial Group

## PROTECTING YOUR PRIVACY

This Notice is required by law. It tells how we handle personal information.

This Notice applies to:

- people who own or apply for our products or services for personal use.
- employee benefit plan participants and beneficiaries.

Please note that in this Notice, "you" refers to only these people. The Notice does not apply to an employer plan sponsor or group policyholder.

## WE PROTECT INFORMATION WE COLLECT ABOUT YOU

We follow strict standards to safeguard personal information. These standards include limiting access to data and regularly testing our security technology.

## HOW WE COLLECT INFORMATION

We collect data about you as we do business with you. Some of the sources of this data are as follows:

- **Information we obtain when you apply or enroll for products or services.** You may provide facts such as your name; address; Social Security number; financial status; and, when applicable, health history.
- **Information we obtain from others.** This may include claim reports, medical records, when applicable, credit reports, property values and similar data.
- **Information we obtain through our transactions and experience with you.** This includes your claims history, payment and investment records, and account values and balances.
- **Information we obtain through the Internet.** This includes data from online forms you complete. It also includes data we collect when you visit our websites.

## HOW WE SHARE INFORMATION

### Within the Principal Financial Group

We may share personal information about you or about former customers, plan participants or beneficiaries within the Principal Financial Group for several reasons, including:

- to assist us in providing service;
- to help design and improve products; or
- with your consent, at your request or as allowed by law.

### With Others

In the course of doing business we may share data with others. This could include personal information about you or about former customers, plan participants or beneficiaries. Personal information may be shared with others for the following reasons:

- in response to a subpoena,
- to prevent fraud,
- to comply with inquiries from government agencies or other regulators, or
- for other legal purposes.

We also may share personal information:

- with others that service your accounts, or that perform services on our behalf;
- with others with whom we may have joint marketing agreements. These include financial services companies (such as other insurance companies, banks or mutual fund companies); and
- with other companies with your consent, at your request or as allowed by law.



## MEDICAL INFORMATION

We do not share medical information among companies of the Principal Financial Group or with others except:

- when needed to service your policies, accounts, claims or contracts;
- when laws protecting your privacy permit it; or
- when you consent.

## ACCURACY OF INFORMATION

We strive for accurate records. Please tell us if you receive any incorrect materials from us. We will make the appropriate changes.

## COMPANIES WITHIN THE PRINCIPAL FINANCIAL GROUP

Edge Asset Management, Inc. is a subsidiary of Principal Management Corp. and a member of the Principal Financial Group®. Additional information about Edge Asset Management, Inc., including its most recent Form ADV brochure, is available upon request. The companies of the Principal Financial Group are leading providers of retirement savings, investment, and insurance products.

## MORE INFORMATION

You may write to us if you have questions about our Privacy Notice. Contact our Privacy Officer at P.O. Box 14582, Des Moines, Iowa 50306-3582.

*Receipt of this notice does not mean your application has been accepted.*

*We may change our privacy practices at times. We will give you a revised notice when required by law.*

*Our privacy practices comply with all applicable laws. If a state's privacy laws are more restrictive than those stated in this Notice, we comply with those laws.*

*Your agent, broker, registered representative, consultant or advisor may have a different privacy policy.*

1-800-986-3343

