

Introduction	<p>Principal Securities, Inc. is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <a href="https://Investor.gov/CRS">Investor.gov/CRS</a>, which also provides educational materials about broker-dealers, investment advisers, and investing.</p>
What investment services and advice can you provide me?	<p>We offer both <b>brokerage</b> and <b>investment advisory</b> services to retail investors.</p> <p>Our <b>brokerage</b> services include buying and selling securities. You should know the following information about our brokerage services:</p> <ul style="list-style-type: none"> <li>▪ While we offer a broad range of investment products issued, sponsored or managed by other member companies of Principal Financial Group, as well as products of non-affiliated companies, we <i>do not</i> make available or offer advice on all investments available in the market. We currently offer retail investor services related to the following investment products: mutual funds, variable annuities, variable life insurance, equities, fixed income (bonds and CDs), and options, as well as relatively small numbers of unit investment trusts (UITs), closed-end and interval funds, and alternative investments.</li> <li>▪ We <i>do</i> offer recommendations on the purchase and sale of securities.</li> <li>▪ We <i>do not</i> offer <i>ongoing monitoring</i> of investments in brokerage accounts.</li> <li>▪ We <i>do not</i> exercise <i>discretion</i> over investments within brokerage services. This means you make the ultimate decision regarding purchases and sales of investments.</li> <li>▪ We <i>do not</i> have <i>account minimums</i> for brokerage services, but certain retail investment products have minimum investment amounts and such amounts will be set out in the respective product's prospectus or other offering documents.</li> </ul> <p>Our <b>investment advisory</b> services include advisory products and services. You should know the following information about our investment advisory solutions:</p> <ul style="list-style-type: none"> <li>▪ We offer a limited number of <b>investment advisory</b> services, which include: <ul style="list-style-type: none"> <li>○ <u>Managed Account Solutions Wrap Fee Program</u>: We offer different types of wrap fee programs, some of which are discretionary (a financial professional can buy and sell securities without your consent for each trade) and some of which are non-discretionary. Some discretionary wrap fee programs are managed by our financial professionals, while others are managed by a third party. In all wrap fee programs, our financial professionals will help determine the investment strategy and program that is right for you and will provide you asset allocation and investment recommendations. Our financial professionals will monitor the investments in your account at least annually as long as the account is open, and they will meet with you at least annually to review your account.</li> <li>○ <u>Direct Advisory Account</u>: Under these discretionary programs, a third party is involved in managing your portfolio. Depending on the arrangement, we work together with the third party in managing your account, or we refer you to the third-party manager and they are responsible for managing the assets in your account. The specific investments you can hold in your account depend on which third-party manager is selected, and that third party's limitations. Our financial professionals will monitor the investments in your account at least annually as long as the account is open, and they will meet with you at least annually to review your account.</li> <li>○ <u>Financial Planning and Consulting Services</u>: Our financial professional develops a financial planning report or consults with you regarding your specific financial situation or certain aspects of it. Financial planning examines your goals and helps you prioritize, save, and invest for them.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Our advisory programs offered on a discretionary basis require written authorization from you, to your financial professional, before they can begin acting with discretion. This discretion authority will continue until you revoke the authorization.</li> <li>▪ We do have account minimums associated with our investment advisory services that vary by the type of investment and program. You can read more about our account minimums at <a href="https://www.principal.com/individual-investor/enrichment/article/account-minimums">PrincipalSecurities.com</a>.</li> </ul> <p><b>For additional information</b>, please see our website, <a href="https://www.principal.com/individual-investor/enrichment/article/account-minimums">PrincipalSecurities.com</a> for our Form ADV Part 2A brochures, and additional disclosures.</p> <p><b>Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>✓ Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?</li> <li>✓ How will you choose investments to recommend to me?</li> <li>✓ What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</li> </ul>
What fees will I pay?	<p><b>Brokerage transaction costs:</b> When you buy or sell investments such as equities, bonds, CDs or options through our brokerage services, you are generally charged a transaction-based commission or markup at the time of each trade that varies based on the value and volume of the trade. This means if you make more trades, you will generally pay more in fees; if you make fewer trades, you will generally pay less in fees. For other investments such as mutual funds, and other funds, UITs, and annuities, as well as variable insurance, you could pay commissions or sales charges (including back-end sales charges if you sell a position before a set time frame) as outlined in the product’s prospectus. Brokerage services, including variable products, also have other miscellaneous fees or other expenses. Some of the most common fees we charge include - a service and handling fee, annual inactivity fee, annual account maintenance fees, custodian fees, and various other transactional fees and product-level fees, including rider fees. Because you will be charged more when there are more trades in a brokerage account, a financial professional will earn more if you trade more frequently. And because we receive higher sales commissions and other compensation from selling some products over others, we have an incentive to recommend products that pay us more.</p> <p><b>Investment advisory fees:</b> The fees you will pay for our investment advisory programs depend on the specific program you choose. Some of these fees are negotiable. The programs are:</p> <ul style="list-style-type: none"> <li>▪ <b>Managed Account Solutions Wrap Fee Program:</b> Under our wrap fee programs, you are charged an advisory fee that is assessed quarterly in advance and is a percentage of the dollar value of the assets in your account. For the wrap fee programs managed by third parties, the bundled fee includes both investment advice and transaction fees for the trades placed in your account. Because the overall fee associated with these wrap fee programs includes most transaction costs and fees to a broker-dealer or bank that has custody of these assets, the fee is higher than a typical advisory fee. For the wrap fee program that is managed by our financial professionals, in addition to the bundled fee option, we also offer a pricing option that allows you to pay a lower advisory fee but also pay separate transaction fees for trades placed in your account. Regardless of the program or pricing option selected, if your account includes mutual funds or other funds, you will also pay the management fees and other product-level costs of those funds. Because we receive more in fees when you have more assets in an advisory account, we have an incentive to encourage you to increase the assets in your account.</li> <li>▪ <b>Direct Advisory Account:</b> The fee we receive for a direct advisory account depends on whether we are acting as an investment adviser or referring you to a third-party manager, as well as the specific third-party manager program you select and the amount of assets you invest. When we refer you to a third-party manager, you do not pay us any fees directly. Instead, you pay the third-party manager’s advisory fee (as described in each third-party manager’s disclosure brochures) and the third-party manager pays us a portion of the fee it collects from you. When we act as an investment adviser, you pay both us and the third-party manager separate advisory fees based on the dollar value of the assets in your account. The program fee is assessed either monthly or quarterly and</li> </ul>

	<p>is collected either in advance or in arrears depending on the specific program. Because we receive more in fees under certain arrangements and more from some third-party manager programs than others, we have an incentive to encourage you to invest in certain programs over others.</p> <ul style="list-style-type: none"> <li>▪ <b>Financial Planning and Consulting Services:</b> Each financial professional sets their own rates for financial planning and consulting services based on their educational and business background, professional designations, licensing, geographic location, and other relevant factors. Our financial professionals offer both hourly fee and flat fee arrangements. Because we receive more in hourly fees the longer the engagement, we have an incentive to encourage more extensive planning and consulting services.</li> </ul> <p>You will typically also pay other fees, depending on your account type, that can include account minimum fees, maintenance fees, and other ancillary fees that are outlined in the documents provided prior to account opening. More information regarding fees and costs on your account is available at <a href="https://www.principal.com/PrincipalSecurities.com">PrincipalSecurities.com</a>.</p> <p><b><i>You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</i></b></p> <p><b><i>For additional information</i></b>, please see our website, <a href="https://www.principal.com/PrincipalSecurities.com">PrincipalSecurities.com</a> for our Form ADV Part 2A brochures, fee schedules, and additional disclosures.</p> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>✓ Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?</li> </ul>
<p>What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser?</p> <p>How else does your firm make money and what conflicts of interest do you have?</p>	<p><b><i>When we provide you with a recommendation as your broker-dealer or act as your investment adviser</i></b>, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.</p> <p><b><i>Examples of Ways We Make Money and Conflicts of Interest.</i></b></p> <ul style="list-style-type: none"> <li>▪ <b>Proprietary Products:</b> Principal Securities is a member company of Principal Financial Group. Other member companies of Principal Financial Group create some of the products our financial professionals offer to clients. Investments that are issued, sponsored, or managed by our affiliates are often referred to as proprietary products. When our financial professionals sell proprietary products, our affiliates receive compensation. This creates an incentive for Principal Securities to recommend proprietary products to you.</li> <li>▪ <b>Third-Party Payments and Revenue Sharing:</b> Principal Securities has relationships with a number of third parties from which we receive compensation (beyond commissions) when we recommend or sell certain investments. Some of the third-party payments and revenue sharing Principal Securities receives include 12b-1 fees, marketing support, distribution, and stockholder servicing fees. Principal Securities also receives technology credits and other compensation related to having and placing business where our third-party clearing firm will serve as custodian. Lastly, certain of our financial professionals also receive non-cash compensation in the form of due diligence educational meetings put on by product sponsors. These types of compensation create incentives for Principal Securities and its financial professionals to recommend those investments sponsored or managed by companies from which we receive third-party payments.</li> </ul> <p><b><i>For additional information</i></b>, please see our website, <a href="https://www.principal.com/PrincipalSecurities.com">PrincipalSecurities.com</a>, for additional disclosures including our Third-Party Payments disclosure and our Form ADV Part 2A brochures.</p>

	<p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>✓ How might your conflicts of interest affect me, and how will you address them?</li> </ul>
How do your financial professionals make money?	<p>The primary way our financial professionals make money is through the commissions and fees you pay Principal Securities. For our brokerage services, our financial professional receives a significant portion of the commission that you pay. Because the commission you pay varies by product, the compensation our financial professional receives also varies by product. The compensation paid to us and to your financial professional is higher for certain products. The reasons for the higher compensation generally are related to the products being more complex and the extra time for your financial professional to meet your needs. For our investment advisory services, our financial professional receives a significant portion of the advisory fee that you pay.</p> <p>These compensation structures incentivize your financial professional to recommend a type of product or service that results in a higher fee or charge to you. For brokerage services, our financial professional will make more money when they sell products that have higher commissions or mark-ups, and if you trade more frequently. For investment advisory services, our financial professional will make more money if you invest more assets in your account and if they charge you a higher advisory fee. For financial planning and consulting services, our financial professional will make more money if they charge you a higher hourly fee or if you purchase more extensive services.</p> <p>In addition to the cash compensation explained above, some of our financial professionals are statutory employees of our affiliates who receive benefits and insurance as part of their employment arrangement. To be a statutory employee, a financial professional must spend most of their time marketing our affiliates' life insurance and annuity products. This form of non-cash compensation incentivizes such financial professionals to recommend proprietary products. Our financial professionals also are eligible for incentive trips if they qualify based on their overall sales for a particular year, which incentivizes our financial professionals to make more sales. We strive to make the qualification criteria as product neutral as possible and include educational and charitable components to the trips.</p> <p>We provide transition assistance to some financial professionals to encourage the financial professional to affiliate with Principal Securities and to help cover associated costs. Transition assistance can include a lump sum payment, forgivable loan, and/or coverage of certain fees (such as registration fees, termination fees associated with moving accounts, and technology service fees). This assistance creates an incentive for the financial professional to move and maintain accounts with us, and in the case of a forgivable loan, to recommend our products and services based on the revenue they generate for us.</p>
Do you or your financial professionals have legal or disciplinary history?	<p>Yes, Principal Securities and some of our financial professionals have legal or disciplinary histories. Visit <a href="https://www.investor.gov/CRS">Investor.gov/CRS</a> for a free and simple search tool to research us and our financial professionals.</p> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>✓ As a financial professional, do you have a disciplinary history? For what type of conduct?</li> </ul>
Additional Information	<p><b>For additional information about our services,</b> visit <a href="https://PrincipalSecurities.com">PrincipalSecurities.com</a>. If you would like the most current copy of this disclosure, please call 888-774-6267.</p> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>✓ Who is my primary contact person?</li> <li>✓ Is he or she a representative of an investment adviser or a broker-dealer?</li> <li>✓ Who can I talk to if I have concerns about how this person is treating me?</li> </ul>

Securities and advisory products provided by Principal Securities, Inc. (Principal Securities), 1-888-774-6267, member SIPC. Principal Securities is a member of the Principal Financial Group®, Des Moines, IA 50392.