



Contact us

For more information and support of our fee-based programs, contact Grady Holt, Market Director - Advisory at Holt.Grady@Principal.com or 515-878-8990. Or you can reach the Principal Securities Advisory Solutions Team at PAS@principal.com.



Principal Securities Fee-Based Programs

Investment Adviser Representative Guide



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Seeking a risk-based solution for your clients? Consider one of our fee-based programs on the Envestnet platform.

Each are designed to help clients meet their investment objectives, and features:

- › Online proposal generation and client management system
- › Online, on-demand reporting
- › Marketing support and product training
- › A dedicated sales desk
- › The ability to impose reasonable investment restrictions within parameters

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	Principal Advisory Select Portfolios SM	Principal Managed Portfolios SM	Principal FSP Strategy Select	Principal UMA Select & MMA Select	Principal Separately Managed Account (SMA)
Description	<ul style="list-style-type: none"> › An open architecture solution that allows you to offer clients personal and customized investment advice on their own risk-based asset allocation models. › You help clients choose their investments from a large universe of options. We help simplify the monitoring process with tools to help you easily determine which accounts are currently out of the client’s target risk. 	<ul style="list-style-type: none"> › A valuation-driven asset allocation approach with Model Portfolios designed by Morningstar Investment Management. › This approach strives to limit investment performance declines in market crises and can be an effective risk management tool. › Morningstar Investment Management: <ul style="list-style-type: none"> • Creates the asset class Model Portfolios • Provides strategic review of investment options • Provides ongoing review of the valuation-driven asset allocation strategy and Model Portfolios 	<ul style="list-style-type: none"> › Fund Strategist Portfolios (FSPs) are an outsourced solution providing turnkey simplicity and access to additional fund strategy providers and their distinct portfolio solutions. › FSPs typically contain a set of mutual funds and/ or exchange-traded funds (ETFs) offering various approaches to portfolio construction and asset allocation. › Most FSPs employ one of the three investments styles: strategic, dynamic or tactical. › FSP options include PMC Impact portfolios, offering a comprehensive, disciplined solution designed for investors with environmental, social, and governance priorities. 	<ul style="list-style-type: none"> › Unified Managed Account (UMA) Select and Multi-Manager Account (MMA) Select provide access to institutional quality managers with streamlined paperwork and reasonable costs. › Both UMA Select and MMA Select are diversified, tax-aware, multi-asset and multi-manager portfolios in a single account. › UMA: Enables you to build customized model portfolios across five distinct risk profiles. › UMA: Combine turnkey solutions to create model portfolios in the appropriate blend tailored to help meet your clients’ needs. › MMA: High net worth solution offering 29 pre-built portfolios from Clark Capital and PIMCO starting at \$500,000. 	<ul style="list-style-type: none"> › The term “separately managed account” (or SMA) can refer several different types of investment accounts managed by third-party or independent investment management firms. › While separate accounts in their current form were developed in the 1970s, a gradual downtrend in investment minimums have enabled more and more investors to access the benefits of separate account management. › Provides asset management via various institutional money managers. The money manager maintains trading discretion and portfolio management responsibility.
Features	<ul style="list-style-type: none"> › Investment options: <ul style="list-style-type: none"> • Mutual funds • Exchange-traded funds • Stocks • Fixed-income › Account types allowed: <ul style="list-style-type: none"> • Individual 401(k) • IRA (Traditional/Roth) • SEP • Nonqualified › Account types not allowed: <ul style="list-style-type: none"> • SIMPLE • 401(k) — other than individual • 403(b) • Defined benefit • Profit sharing • Money purchase 	<ul style="list-style-type: none"> › Model portfolios: 22 model portfolios › Investment options: <ul style="list-style-type: none"> • Primarily institutional class mutual fund shares of Principal Funds • Municipal bond funds • Exchange-traded funds › Principal due diligence process: Adds an additional layer of investment monitoring of Principal Funds. › Account types allowed: <ul style="list-style-type: none"> • Individual 401(k) • IRA (Traditional/Roth) • SEP • SIMPLE • Nonqualified › Account types not allowed: <ul style="list-style-type: none"> • 401(k) — other than individual • 403(b) • Defined benefit • Profit sharing • Money purchase › Tax benefits: <ul style="list-style-type: none"> • Offers tax-sensitive models 	<ul style="list-style-type: none"> › Model portfolios: 100+ model portfolios, including socially responsible investment options. › Investment options: <ul style="list-style-type: none"> • Strategic – A long-term approach aimed at balancing risk and return. • Dynamic – Flexible, combining a strategic approach with a limited amount of short-term tactical moves. • Tactical – An unconstrained approach that can quickly change its allocation and risk profile. › Due diligence process: The FSP approval process is objective and aims to provide a broad list of strategies across varying types of risk tolerances, investment styles, and philosophies. › Account types allowed: <ul style="list-style-type: none"> • Individual 401(k) • IRA (Traditional/Roth) • SEP • SIMPLE • Nonqualified › Account types not allowed: <ul style="list-style-type: none"> • 401(k) - other than individual • 403(b) • Defined benefit • Profit sharing • Money purchase › Tax benefits: <ul style="list-style-type: none"> • Offers tax-sensitive models 	<ul style="list-style-type: none"> › Both: Accounts types allowed and not allowed are the same as Advisory Select. › Both: Investment options, Envestnet due diligence process, and tax benefits will be reflective of the underlying investment options. › Both: Offer tax and impact overlay services on accounts above \$500,000. Additional fees apply. › Both: Single brokerage account, one 1099. › UMA: A combination of Principal Managed portfolios, Strategy Select portfolios, SMA portfolios and/or AMP Select sleeves. › UMA: Advisors create their own UMA models consisting of at least two sleeves and manage client accounts at the model level. › MMA: Offers additional resources to help advisors grow their business. › MMA: Within the program, advisors will be able to leverage the sales and marketing resources of some of the best investment managers. 	<ul style="list-style-type: none"> › Like mutual funds, SMAs provide investors with access to industry-leading portfolio managers. › However, SMAs have several benefits beyond the scope of mutual funds: <ul style="list-style-type: none"> • Individual security ownership • Portability and taxes • Portfolio customization • Fees › Access to approximately 500 pre-screened institutional money managers › Tax-efficient portfolios › Tax-loss harvesting › Accounts types allowed and not allowed are the same as Principal Managed Portfolios and FSPs
Account minimum¹	\$25,000	\$25,000	\$25,000 ²	UMA: \$150,000 MMA: \$500,000 Both UMA and MMA accounts are subject to Money Manager and sleeve minimums.	\$250,000 (Accounts are subject to Money Manager and portfolio minimums)
Maximum annual client fee³	2.0% annually, charged quarterly. Underlying internal expenses are in addition to the asset-based fee.	2.0% annually, charged quarterly. Underlying internal expenses are in addition to the asset-based fee.	2.0% annually, charged quarterly. Underlying internal expenses are in addition to the asset-based fee.	3.0% annually, charged quarterly. Underlying internal expenses are in addition to the asset-based fee.	3.0% annually, charged quarterly. Underlying internal expenses are in addition to the asset-based fee.

¹Subject to change. ²May require a higher minimum. ³ May be subject to a minimum annual platform and custodian fee.