Principal® Announces Integration of Global Asset Management and International Pension Businesses

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Will expand breadth and reach of global and local investment capabilities

DES MOINES, Iowa--(BUSINESS WIRE)-- Principal Financial Group® (Nasdaq: PFG) announced today it is integrating its global asset management and international pension businesses under Principal Asset Management℠ – blending leadership, investment capabilities, and client-facing teams. The combined business will help Principal® to effectively deliver global and local investment capabilities and client support across more than 80 markets, driving greater benefit for clients and shareholders.

“Asset management is a growth driver for Principal and I’m confident with the right strategy, structure, and teams – we can deliver greater differentiation and value to our clients,” said Patrick Halter, president, Principal Asset Management. “Our clients expect us to combine our extensive global investment capabilities with local market expertise to continue to support their long-term investment and retirement needs. This integration will allow Principal to build on those capabilities to deliver for our clients, while maximizing the value of our integrated business model.”

For more than 30 years, the global businesses at Principal have served institutional, retirement, retail, and wealth clients with extensive asset management capabilities to meet their investment goals. The two units worked opportunistically together to provide global solutions to meet the needs of local market investors, and extend local and regional products to the portfolios of global investors. More recently, the firm has begun to combine research, risk management, and product strategy among its global, regional, and local markets to create more value and efficiency.

Today’s announcement formalizes this partnership to create a single business unit with the power of combined leadership, investment, and go-to-market capabilities.

Global, experienced leadership team

The combined Principal Asset Management unit will feature an integrated leadership and organizational structure for better alignment of capabilities and functions with global client needs. **Halter** will serve as **president, Principal Asset Management,** and report to Dan Houston, chairman, president, and chief executive officer of Principal.

Halter’s leadership team includes:

- **Kamal Bhatia, head of global investments,** who will lead the firm’s strengthened global investment organization, including the Principal general account and investment subsidiaries.He will continue to serve as president and CEO of Principal Funds. Bhatia previously served as chief operating officer for the asset management unit.
- **Thomas Cheong**, **president of Asia,** who will lead client-facing functions in Asia Pacific and the Middle East while continuing to drive growth through regional joint ventures and Principal Asia pension businesses. Cheong previously served in this regional leadership role for Principal International.
- **Roberto Walker, president of Latin America,** who will lead client-facing functions in the region, while continuing to drive growth through regional joint venture relationships and Principal Latin America pension businesses. Walker previously served in this regional leadership role for Principal International.
- **Tim Hill**, who is named **head of the U.S. and Europe client group,** as Principal brings client-facing teams and support for the two regions together. Hill previously led U.S. distribution for asset management.
- **Ellen Shumway, head of global product and marketing,** who will lead the global alignment of the firm’s product and marketing strategy, working closely with investment, distribution, and brand leadership teams. Shumway previously led product, marketing, and strategy for asset management.

Strengthened investment model

Principal will align its global and local investment capabilities under a single investment organization, segmented into private market, public market, and multi-asset investments. The new structure will bring together specialized investment teams under a single leader, enabling the teams to work more closely together, leveraging one another’s expertise and resources to deliver more for clients.

- **Private Markets:** Will be led by **Todd Everett, global head of private markets,** and include corporate credit, real estate credit, and real estate equity.Everett previously led the global real estate team.
- **Public Markets:** Will be led by **David Blake, global head of public markets**, and include global equities and global fixed income capabilities and trading resources. Blake previously led the global fixed income team.
- **Multi-asset:** Will continue to be led by **Todd Jablonski, global head of multi-asset investing,** and includes asset

allocation and multi-asset investment capabilities, quantitative and indexed portfolio management, and supporting research.

Principal will continue to grow its solutions offerings, including its liability driven investment and outsourced chief investment officer capabilities, model portfolios, and managed account solutions to support client outcomes around retirement, insurance, and wealth.

As the structure takes shape over time, Principal will continue to work across our global and local investments teams, integrating local teams as regulations allow.[i]

Getting closer to clients

Global asset management continues to be a growth driver for Principal. As more clients seek out diverse and specialized product capabilities, a regional approach to distribution and client engagement will allow Principal to go deeper into markets to pair local insights and needs with its global product line-up. The new structure will create combined regional teams across Asia and the Middle East, the United States and Europe, and Latin America – serving a range of client segments and offering diverse investment and retirement and pension solutions. In local markets, Principal will continue to have strong leadership in place through its country heads to manage key relationships with clients, regulators, joint venture partners, and other critical stakeholders.

This organizational integration, along with other enhancements, will be reflected in the company's financial reporting beginning with the first quarter of 2023. Additional details will be shared on the company's 2023 outlook call on Thursday, March 2.

Forward-looking and cautionary statements

This news release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," "estimate," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "significant," "will," "would," "objective," "forecast," "goal," "guidance," "outlook," "effort," "strategy," "target," and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guaranteeing future performance. Future events and their effects on the company may not be those anticipated, and actual results may differ materially from the results anticipated in these forward-looking statements. Those risks and uncertainties include, but are not limited to, the risk factors listed in Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and the other filings we make with the U.S. Securities and Exchange Commission. We disclaim any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 19,000 employees[1] passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we're helping more than 62 million customers[1] plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of America's 100 Most Sustainable Companies [2], a member of the Bloomberg Gender Equality Index, and a "Best Places to Work in Money Management [3]." Learn more about Principal and our commitment to building a better future at principal.com.

[1] As of December 31, 2022
[2] Barron's, 2022
[3] Pensions & Investments, 2022

Principal Global Investors leads global asset management. Referenced companies are members of the Principal Financial Group®, Des Moines, Iowa, 50392.

[i] The integration of the global and local investment capabilities and organization structure described herein shall be subject to and conform with the applicable limitations set out in the laws and regulations of the countries in which the Principal Financial Group and its member companies operate.

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