

PRINCIPAL FINANCIAL GROUP INC
Form 8-K
August 06, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: August 3, 2018
(Date of earliest event reported)

PRINCIPAL FINANCIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-16725	42-1520346
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification Number)

711 High Street, Des Moines, Iowa 50392
(Address of principal executive offices)

(515) 247-5111
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

Effective August 3, 2018, Principal Financial Group, Inc. (the “Company”) agreed to a realignment of a real estate investment management team within its Principal Global Investors (“PGI”) segment. With the realignment, PGI no longer manages approximately \$9.0 billion of assets for a large real estate client. As a result, the recognition of a performance fee that was earned due to successful management of the assets, which drove market value appreciation of the real estate investments, was accelerated. During the third quarter the Company will recognize, within the PGI segment, approximately \$250.0 million of fees and other revenue related to the performance fee. This will be partially offset by approximately \$150.0 million of operating expenses related to revenue sharing arrangements, resulting in an approximate \$100.0 million increase to income before income taxes (\$70 million increase to net income). Ongoing impacts to net income are not expected to be material.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRINCIPAL FINANCIAL GROUP, INC.

By: /s/ John Egan

Name: John Egan

Title: Vice President - Investor Relations

Date: August 3, 2018