



Press Release

For Immediate Release

Global Aging Report Sponsored by Principal Finds Advantages in Funded Retirement Systems

Hong Kong, [11 May 2016] – The Principal Financial Group® (“Principal”) recently sponsored a research report by the nonprofit Global Aging Institute (GAI) that explores the challenge of ensuring the adequacy and sustainability of retirement systems in aging emerging markets.

The central conclusion of the report, *“Global Aging and Retirement Security in Emerging Markets: Reassessing the Role of Funded Pensions,”* is that emerging markets with funded state pension systems will enjoy important advantages over those with pay-as-you-go systems. The report also explores key pension system design considerations, such as contribution rates, retirement ages, and fund management provisions, that may affect the adequacy and sustainability of pension systems as the world’s societies age.

“If the challenge for most developed countries is how to reduce the rising burden that government retirement systems threaten to place on the young without undermining the security they now provide to the old, the challenge for many emerging markets is precisely the opposite,” said Richard Jackson, president of the Global Aging Institute and author of the report. “How do they guarantee a measure of security to the old that does not now exist, without at the same time placing a large new burden on the young?”

“This report covers pension system developments in emerging markets in Latin America, South Asia and North Asia. Principal has a significant business presence in these regions in countries such as Brazil, Chile, Mexico, India and China,” said Thomas Cheong, Vice President-North Asia of Principal Financial Group. “As a leading expert on global retirement, we will continue to contribute to various pension systems through our member companies around the world.”

“The report calls on policymakers to make addressing the aging challenge an urgent priority. Both emerging markets and Hong Kong are now facing aging issues, and the report raises awareness of the need for retirement reform. It is time to take a close look at our pension systems,” said Mr. Arthur Bacci, Head of Principal International (Hong Kong).



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The full report (in multiple languages), along with an executive summary and videos, is available at www.principal.com/globalaging.

About the Global Aging Institute

The Global Aging Institute (GAI) is a nonprofit research and educational organization dedicated to improving understanding of global aging, to informing policymakers and the public about the challenges it poses, and to encouraging timely and constructive policy responses. GAI's agenda is broad, encompassing everything from retirement security to national security, and its horizons are global, extending to aging societies worldwide. To learn more, visit www.GlobalAgingInstitute.org.

About The Principal Financial Group®

The Principal Financial Group® (The Principal®)¹ is a global investment management leader offering retirement services, insurance solutions and asset management. The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies. Founded in 1879 and a member of the FORTUNE 500®, the Principal Financial Group has US\$547.7 billion in assets under management (as of 31 March 2016) and serves some 19.2 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG. For more information, visit www.principal.com.

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