

This document provides important information to help you compare the investment options available to you under the retirement plan.

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For additional information on the investment options, including most recent month-end performance, log in to the Principal Financial Group® website at principal.com or call our automated phone system at 1-800-547-7754.

Additional information available online includes, if applicable, the name of the investment option's issuer; the investment option's objectives or goals; the investment option's principal strategies, including a general description of the types of assets held by the investment option; the portfolio turnover rate; and the investment option's performance data and fee and expense information.

In situations where the net and gross total investment expense figures are different, the mutual fund or the underlying fund in which a Separate Account invests has waived/capped a portion of its management fees through the date displayed in the waiver expiration date or contractual cap expiration date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are based on total investment expense net.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. Some or all of the Plan administrative expenses are paid from the total investment expense of one or more of the Plan's investment options. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's or beneficiary's retirement account. Participants and beneficiaries can visit the Employee Benefit Security Administration's website for an example demonstrating the long-term effect of fees and expenses.

For a glossary of terms to assist you in understanding the designated investment options, log in to your account at principal.com.

Asset Class: Balanced/Asset Allocation											
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.											
Investment Category: Retirement Income											
Inv Manager or Sub-Advisor : Multiple Sub-Advisors											
Investment Option Name	Average Annual Total Return										
Principal LifeTime Strategic Income Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	8.26	12.22	8.65	2.55	5.71	4.69	3.56	1.53	4.43	4.26	3/2001
Benchmark: Principal LifeTime Strategic Income Blended Index	6.44	9.87	7.61	5.23	7.10	-	5.97	5.00	5.41	-	-
Benchmark: Morningstar Lifetime Moderate Income Index	8.38	12.86	8.39	4.97	7.72	-	4.00	4.86	6.54	-	-
Description: The investment seeks current income, and as a secondary objective, capital appreciation. The fund invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors primarily seeking current income and secondarily capital appreciation. Its asset allocation is designed for investors who are approximately 15 years beyond the normal retirement age of 65. The fund invests in PFI Institutional Class shares of underlying funds.											
Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period				
Cash	2.59	U.S. Stocks	15.46	Total Inv Exp Net %			1/30 day period				
Non-U.S. Stocks	8.07	Non-U.S. Bonds	13.98	Contractual Cap Expiration Date							
Convertibles	0.10	Preferred	1.08	Waiver Expiration Date							
U.S. Bonds	58.13	Other	0.58	Total Inv Exp Gross %							
				Total Inv Exp Gross Per \$1,000 Invested							
				Redemption Fee							

Asset Class: Balanced/Asset Allocation

This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.

Investment Category: Target Date 2000-2010

Inv Manager or Sub-Advisor : Multiple Sub-Advisors

Investment Option Name	Average Annual Total Return										
Principal LifeTime 2010 Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	10.35	16.21	9.77	1.58	6.38	4.89	1.16	0.78	4.55	4.28	3/2001

Benchmark:
Principal LifeTime 2010 Blended Index

Benchmark:
Morningstar Lifetime Moderate 2010 Index

Description: The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund." It invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. The fund invests in PFI Institutional Class shares of underlying funds. Within 10 to 15 years after its target year, the fund's underlying fund allocation is expected to match that of the Principal LifeTime Strategic Income Fund.

Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period		
Cash	1.66	U.S. Stocks	28.23	Total Inv Exp Net %	0.69		1/30 day period		
Non-U.S. Stocks	15.13	Non-U.S. Bonds	10.55	Contractual Cap Expiration Date	N/A				
Convertibles	0.08	Preferred	0.85	Waiver Expiration Date	N/A				
U.S. Bonds	42.77	Other	0.73	Total Inv Exp Gross %	0.69				
				Total Inv Exp Gross Per \$1,000 Invested	\$6.90				
				Redemption Fee	-				

Investment Category: Target Date 2016-2020

Inv Manager or Sub-Advisor : Multiple Sub-Advisors

Investment Option Name	Average Annual Total Return										
Principal LifeTime 2020 Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	12.61	21.01	10.15	1.03	7.06	5.15	-1.11	0.20	4.66	4.36	3/2001

Benchmark:
Principal LifeTime 2020 Blended Index

Benchmark:
Morningstar Lifetime Moderate 2020 Index

Description: The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund." It invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. The fund invests in PFI Institutional Class shares of underlying funds. Within 10 to 15 years after its target year, the fund's underlying fund allocation is expected to match that of the Principal LifeTime Strategic Income Fund.

Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period		
Cash	-0.09	U.S. Stocks	41.59	Total Inv Exp Net %	0.74		1/30 day period		
Non-U.S. Stocks	22.53	Non-U.S. Bonds	7.07	Contractual Cap Expiration Date	N/A				
Convertibles	0.08	Preferred	0.42	Waiver Expiration Date	N/A				
U.S. Bonds	27.29	Other	1.11	Total Inv Exp Gross %	0.74				
				Total Inv Exp Gross Per \$1,000 Invested	\$7.40				
				Redemption Fee	-				

Asset Class: Balanced/Asset Allocation

This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.

Investment Category: Target Date 2026-2030

Inv Manager or Sub-Advisor : Multiple Sub-Advisors

Investment Option Name	Average Annual Total Return										
Principal LifeTime 2030 Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	13.30	22.53	10.29	0.45	7.29	4.91	-2.23	-0.29	4.42	4.05	3/2001

Benchmark:
Principal LifeTime 2030 Blended Index

Benchmark:
Morningstar Lifetime Moderate 2030 Index

Description: The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund." It invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. The fund invests in PFI Institutional Class shares of underlying funds. Within 10 to 15 years after its target year, the fund's underlying fund allocation is expected to match that of the Principal LifeTime Strategic Income Fund.

Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period			
Cash	0.62	U.S. Stocks	48.35	Total Inv Exp Net %	0.76		1/30 day period			
Non-U.S. Stocks	25.12	Non-U.S. Bonds	4.72	Contractual Cap Expiration Date	N/A					
Convertibles	0.08	Preferred	1.54	Waiver Expiration Date	N/A					
U.S. Bonds	18.69	Other	0.88	Total Inv Exp Gross %	0.76					
				Total Inv Exp Gross Per \$1,000 Invested	\$7.60					
				Redemption Fee	-					

Investment Category: Target Date 2036-2040

Inv Manager or Sub-Advisor : Multiple Sub-Advisors

Investment Option Name	Average Annual Total Return										
Principal LifeTime 2040 Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)				
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date
	14.11	23.93	10.24	-0.11	7.32	4.80	-3.38	-0.82	4.03	3.86	3/2001

Benchmark:
Principal LifeTime 2040 Blended Index

Benchmark:
Morningstar Lifetime Moderate 2040 Index

Description: The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund." It invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. The fund invests in PFI Institutional Class shares of underlying funds. Within 10 to 15 years after its target year, the fund's underlying fund allocation is expected to match that of the Principal LifeTime Strategic Income Fund.

Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period			
Cash	1.26	U.S. Stocks	53.77	Total Inv Exp Net %	0.78		1/30 day period			
Non-U.S. Stocks	30.20	Non-U.S. Bonds	2.64	Contractual Cap Expiration Date	N/A					
Convertibles	0.08	Preferred	1.24	Waiver Expiration Date	N/A					
U.S. Bonds	10.03	Other	0.78	Total Inv Exp Gross %	0.78					
				Total Inv Exp Gross Per \$1,000 Invested	\$7.80					
				Redemption Fee	-					

Asset Class: Balanced/Asset Allocation												
This asset class is generally composed of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.												
Investment Category: Target Date 2046-2050												
Inv Manager or Sub-Advisor : Multiple Sub-Advisors												
Investment Option Name	Average Annual Total Return											
Principal LifeTime 2050 Inst Fund ^{8,16,20,21,23,F}	(as of 09/30/2012 quarter end)						(as of 12/31/2011 year end)					
	YTD Ret	1-Year	3-Year	5-Year	10-Year	Since Incept	1-Year	5-Year	10-Year	Since Incept	Incept Date	
	14.60	24.93	10.25	-0.40	7.56	4.35	-4.02	-1.15	3.76	3.35	3/2001	
Benchmark: Principal LifeTime 2050 Blended Index	13.26	22.81	9.59	0.24	7.92	-	-2.14	-0.51	3.72	-	-	
Benchmark: Morningstar Lifetime Moderate 2050 Index	13.34	22.57	10.12	1.22	10.48	-	-3.47	0.96	6.73	-	-	
Description: The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a "target date fund." It invests in underlying Principal Funds, Inc. ("PFI") domestic and foreign equity, real estate investments, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. The fund invests in PFI Institutional Class shares of underlying funds. Within 10 to 15 years after its target year, the fund's underlying fund allocation is expected to match that of the Principal LifeTime Strategic Income Fund.												
Composition (% of Assets) as of 08/31/2012				Fees & Expenses			# of Transfers Allowed/Time Period					
Cash	1.62	U.S. Stocks	56.53	Total Inv Exp Net %			0.79	1/30 day period				
Non-U.S. Stocks	32.70	Non-U.S. Bonds	1.44	Contractual Cap Expiration Date			N/A					
Convertibles	0.08	Preferred	1.61	Waiver Expiration Date			N/A					
U.S. Bonds	5.31	Other	0.71	Total Inv Exp Gross %			0.79					
				Total Inv Exp Gross Per \$1,000 Invested			\$7.90					
				Redemption Fee			-					

Investors should carefully consider a mutual fund's investment objectives, risks, charges, and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting principal.com, or calling 1-800-547-7754. Read the prospectus carefully before investing.

The value of the investment options will fluctuate so that when redeemed, shares or units may be worth more or less than the original cost.

An investment's past performance is not necessarily an indication of how the investment will perform in the future.

Since inception benchmark returns are displayed on the Investment Option Summary for investments that are less than 10 years old. The benchmark reflecting the Since Inception return is the Morningstar Category index. For some Sub-Advised investment options, two benchmarks will be displayed on the Investment Option Summary and the secondary index reflecting the Since Inception Return is the Morningstar Category index.

^B Principal Funds mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Certain investment options may not be available in all states or U.S. commonwealths.

These results are for the investment options available through your Plan Sponsor's retirement plan, and may be different from the results for other retirement plans. Past performance is not a guarantee of future results. Principal values and investment returns will fluctuate so that values upon redemption may be worth more or less than original costs. Total returns illustrated are net of investment expenses and management fees.

Returns shown for periods of less than one year are not annualized. All returns displayed here are after net Total Investment Expense of the investment option.

For a Mutual Fund investment option, Total Investment Expense gross equals the sum of (a) the total fund operating expenses plus (b) if the mutual fund invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual Total Investment Expense may change if the mutual fund investment option's allocation of assets to other mutual funds changes.

Any operating expenses of a mutual fund or underlying mutual fund that are part of net Total Investment Expense are obtained from the mutual fund's most recent prospectus. The operating expenses shown as part of net Total Investment Expense include voluntary expense limits and fee credit.

As allowed by their prospectuses several mutual fund companies have decided to impose redemption fees and/or transfer restrictions on certain plan and/or participant transactions. One or more of the investment options in your employer's retirement plan may be impacted. For more information, visit The Principal Web site at principal.com.

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Since inception returns are only shown for funds/accounts in existence for less than 10 years.

- ¹ Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.
- ² Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.
- ³ International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.
- ⁴ Money Market Funds are not guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money.
- ⁵ S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.
- ⁶ These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. For time periods prior to inception date of the fund, predecessor performance is reflected. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.
- ⁷ Principal® Fixed Income Guaranteed Option is the Group Annuity Contract - Custodial Guaranteed Interest Contract available through Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines Iowa 50392. May not be available in all states.
- ⁸ Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.
- ⁹ Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.
- ¹⁰ If the retirement program provides a participant access to the Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will generally be subject to an Equity Wash. An Equity Wash requires that transfers must be directed to a non-competing investment option under the plan for 90-days before such transferred amounts may be directed to any other Competing Plan Investment Option. Competing Plan Investment Options include other guaranteed investment options, or fixed income, money market, or bond funds that have ever had an average duration of 3.0 years or less.
- ¹¹ The Fixed Income Guaranteed Option is a guarantee backed by the general account of Principal Life Insurance Company(Principal Life). As a guarantee, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The Rate Level Service Fee illustrated here represents the part of the overall fee arrangement that the plan pays for services from Principal Life as a provider of administrative services to the plan, as agreed to in the Service and Expense Agreement for the plan.
- ¹² The crediting rate shown for the Fixed Income Guaranteed Option is an effective annual rate and is displayed here as the rate guaranteed by Principal Life net of the fees for administrative services to the plan illustrated in the Rate Level Service Fee column for the Fixed Income Guaranteed Option.
- ¹³ The Fixed Income Guaranteed Option is a guarantee backed by the general account of Principal Life Insurance Company(Principal Life). As a guarantee, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The Total Investment Expense illustrated here represents the part of the overall fee arrangement that the plan pays for services from Principal Life as a provider of administrative services to the plan, as agreed to according to the Rate Level Service Fee selected in the Service and Expense Agreement for the plan.
- ¹⁴ If the retirement program provides you access to the Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will generally be subject to an Equity Wash. An Equity Wash requires that transfers must be directed to a non-competing investment option under the plan for 90-days before such transferred amounts may be directed to any other Competing Plan Investment Option. Competing Plan Investment Options include other guaranteed investment options, or fixed income, money market, or bond funds that have ever had an average duration of 3.0 years or less.
- ¹⁵ The crediting rate shown for the Fixed Income Guaranteed Option is an effective annual rate and is displayed here as the rate guaranteed by Principal Life net of the fees for administrative services to the plan illustrated in the Total Investment Expense column for the Fixed Income Guaranteed Option.

- ¹⁶ Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.
- ¹⁷ On March 28, 2008, the Excelsior Value & Restructuring Z Fund merged into the Columbia Value & Restructuring Z Fund. Performance results shown are of the Columbia Value & Restructuring Z Fund.
- ¹⁸ Principal Management Corporation may voluntarily limit a certain portion of the fund's expenses collected from the Money Market Fund on a temporary basis.
- ¹⁹ This investment option maintains a voluntary waiver which is reflected in the value displayed for Total Investment Expense - Net. This waiver may be discontinued at any time.
- ²⁰ Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.
- ²¹ The Investment Advisor will display "Multiple Sub-Advisors" for certain target-date, target-risk and specialty investment options where the assets are directed by the Investment Manager to multiple underlying investment options. These underlying investment options may use multiple sub-advisors who are responsible for the day-to-day management responsibilities.
- ²² For Mutual Fund Network investment options, returns for all time periods, except the Since Inception time frame, may include the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. Since Inception returns display the actual return of this share class and do not reflect the adjusted returns of the oldest share class. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.
- ²³ This Principal LifeTime Fund indirectly bears its pro rata share of the management fees incurred by the underlying Principal Funds in which this fund invests. Based on the asset allocation of the Principal LifeTime Funds outlined in the prospectus dated February 29, 2012, the weighted average operating expenses of the underlying funds are: Principal LifeTime Strategic Income, 0.58%; Principal LifeTime 2010, 0.65%; Principal LifeTime 2015, 0.67%; Principal LifeTime 2020, 0.70%; Principal LifeTime 2025, 0.71%; Principal LifeTime 2030, 0.72%; Principal LifeTime 2035, 0.73%; Principal LifeTime 2040, 0.74%; Principal LifeTime 2045, 0.75%; Principal LifeTime 2050, 0.75%; Principal LifeTime 2055, 0.75%. While the operating expenses of the underlying mutual funds are not part of the Principal LifeTime Fund's operating expenses they are included in the Total Investment Expense. Performance results shown for the Principal LifeTime Fund reflect the application of these expenses.
- ²⁴ The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations; and the inability to close out certain hedged positions to avoid adverse tax consequences.
- ^F Investment option limits transfer activity. Once the number of allowed transfers is met, participants are not allowed to transfer back into an investment option which they have transferred out of until the holding period elapses. All participant investment transfers and non-scheduled rebalancing activity are counted toward the number of transfers allowed. Contributions into the investment option are not impacted. Participants may still transfer out to different investment options or to money market or Guaranteed options.

Benchmark Descriptions

Morningstar Lifetime Moderate 2020 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about ten years away from retirement.

Principal LifeTime 2025 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2025 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 51.65% Russell 3000 Index, 19.25% MSCI EAFE Index, and 29.10% Barclays Aggregate Index.

Principal LifeTime 2030 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2030 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 56.25% Russell 3000 Index, 21.00% MSCI EAFE Index, and 22.75% Barclays Aggregate Index.

Morningstar Lifetime Moderate 2030 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 20 years away from retirement.

Principal LifeTime 2035 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2035 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 59.65% Russell 3000 Index, 23.00% MSCI EAFE Index, and 17.35% Barclays Aggregate Index.

Morningstar Lifetime Moderate 2040 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 30 years away from retirement.

Morningstar Lifetime Moderate 2050 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 40 years away from retirement.

Morningstar Lifetime Moderate Income Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is at least ten years into retirement.

Morningstar Lifetime Moderate 2010 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is near retirement.

Principal LifeTime 2010 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2010 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 32.40% Russell 3000 Index, 11.60% MSCI EAFE Index, and 56.00% Barclays Aggregate Index.

Principal LifeTime 2015 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2015 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 39.25% Russell 3000 Index, 14.50% MSCI EAFE Index, and 46.25% Barclays Aggregate Index.

Principal LifeTime 2020 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal LifeTime 2020 portfolio. The index weightings adjust over time as the portfolio changes to become gradually more conservative. The weightings as of March 31, 2012 are 47.45% Russell 3000 Index, 17.55% MSCI EAFE Index, and 35.00% Barclays Aggregate Index.

