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Overnight Mail:
30 Dan Road
Canton, MA 02021-2809

Qualified Plan Application

A. Account Registration (Please type or use black ink.)

_____ as Trustee (s) of
Trustee Name (s)

_____ Plan Name

_____ Address _____ Trust Tax ID Number

_____ City _____ State _____ Zip Code Applying For ID

The effective date of this agreement: _____ - _____ - _____

B. Investment and Sales Charge Election

As Trustee of the above named Plan I am qualified to determine the selection of investments for this Plan or will employ a qualified consultant. I have selected this Plan and the investments indicated on this application after careful analysis. I also certify the following information to be correct to the best of my knowledge:

- A) Current Value of assets in this Plan: \$ _____ (\$0 if this is a new plan)
- B) Current Value of assets in other Plans: \$ _____
- C) This investment is suitable for the Plan because of the following:
 - The investment options offered meet a range of investment objectives and provide sufficient diversification for the needs of plan participants.
 - The Plan has held similar investment options.
 - Other: _____

Class of Shares
Class A (front-end sales charge)

Fund Selection
The Applicant is a Trustee purchasing shares to fund a Section 401(a) pension plan ("Plan"). The Applicant authorizes Principal Funds Distributor to purchase shares of Principal Funds. Purchases are intended to be made on a periodic basis as contributions are made to the Plan. All dividend and capital gain distributions are to be reinvested in additional shares of the distributing mutual fund.

C. Agreement to Provide Information (for Omnibus / Pooled Accounts)

Agreement to Provide Information. Beginning no later than April 17, 2007, or such other date as the SEC may designate as the date by which mutual funds must be in compliance with Rule 22c-2, you agree to provide the Funds, upon written request, the Taxpayer Identification Number ("TIN"), the Individual/International Taxpayer Identification Number ("ITIN"), or other Government-Issued Identifier ("GII"), if known, of any or all shareholders and the amount, date, name or other identifier of any investment professional(s) associated with the shareholder(s) (if known), and transaction type (purchase, redemption, transfer, or exchange) of every purchase, redemption, transfer, or exchange of shares held through an account maintained by you during the period covered by the request.

- A) **Period Covered by Request.** Requests made pursuant to this section must set forth a specific time period, not to exceed ninety (90) calendar days from the date of the request, for which transaction information is sought. The Funds may request transaction information older than ninety (90) calendar days from the date of the request as they deem necessary to investigate compliance with policies established by the Funds for the purpose of eliminating or reducing any dilution of the value of the outstanding shares issued by the Funds.
- B) **Form and Timing of Response.** You agree to provide, promptly upon request of the Funds or their designee, the requested information specified in paragraph 1. If requested by the Funds or their designee, you agree to use best efforts to determine promptly whether any specific person about whom you have received the identification and transaction specified in paragraph 1 is itself a financial intermediary ("indirect intermediary") and, upon further request of the Funds or their designee, promptly either: (i) provide (or arrange to have provided) the information set forth in paragraph 1 for those shareholders who hold an account with an indirect intermediary; or (ii) restrict or prohibit the indirect intermediary from purchasing, in nominee name on behalf of other persons, securities issued by the Funds. You additionally agree to inform the Funds whether you plan to perform (i) or (ii). Responses required by this paragraph must be communicated in writing and in a format mutually agreed upon by the Funds and you. To the extent practicable, the format for any transaction information provided to the Funds should be consistent with the NSCC Standardized Data Reporting Format.
- C) **Limitations on Use of Information.** The Funds agree not to use the information received pursuant to this section for marketing or any other similar purpose without your prior written consent.
- D) **Agreement to Restrict Trading.** You agree to execute written instructions from the Funds to restrict or prohibit further purchases or exchanges of Fund shares by a shareholder that has been identified by the Funds as having engaged in

transactions of the Fund's shares (directly or indirectly through the Intermediary's account) that violate policies established by the Funds for the purpose of eliminating or reducing any dilution of the value of the outstanding shares issued by the Funds.

- E) **Form of Instructions.** Instructions to restrict or prohibit trading must include the TIN, ITIN, or GII, if known, and the specific restriction(s) to be executed. If the TIN, ITIN, or GII is not known, the instructions must include an equivalent identifying number of the shareholder(s) or account(s) or other agreed upon information to which the instruction relates.
- F) **Timing of Response.** You agree to execute instructions from the Funds to restrict or prohibit trading as soon as reasonably practicable, but not later than five (5) business days after your receipt of the instructions.
- G) **Confirmation by the Intermediary.** You must provide written confirmation to the Funds that instructions from the Funds to restrict or prohibit trading have been executed. You agree to provide confirmation as soon as reasonably practicable, but not later than ten (10) business days after instructions have been executed.

Definitions. For purposes of this Amendment:

- A) The term "Fund" includes the Fund's principal underwriter and transfer agent. The term does not include any "excepted funds" as defined in Rule 22c-2(b) under the Investment Company Act of 1940.
- B) The term "intermediary" shall mean a "financial intermediary" as defined in SEC Rule 22c-2 under the Investment Company Act of 1940.
- C) The term "promptly" as used in paragraph 1.b. shall mean as soon as practicable but in no event later than five (5) business days from your receipt of the request for information from the Fund or its designee.
- D) The term "purchase" does not include the automatic reinvestment of dividends.
- E) The term "shares" means the interests of shareholders corresponding to the redeemable securities of record issued by the Fund under the Investment Company Act of 1940 that are held by the Intermediary.
- F) The term "shareholder" means the beneficial owner of shares of the Fund, whether such shares are held directly or by you in nominee name; and it includes but is not limited to participants in retirement and other types of employee benefit plans notwithstanding that the plan may be deemed to be the beneficial owner of such shares.
- G) The terms "written" and "writing" include electronic writings and facsimile transmissions.

D. Disclosures/Taxpayer Certification/Account Owner Signatures

- A) Neither Principal Shareholder Services, Inc. nor Principal Funds are a bank and the fund shares are not backed or guaranteed by any bank nor federally insured.
- B) I/We hereby ratify any instructions given on this account and any account into which I/we exchange relating to items on the Application and agree that neither the Funds, Principal Shareholder Services, Inc., nor their Agents will be liable for any loss, cost or expense for acting upon such instructions (in writing or by telephone or Internet, if telephone and Internet transactions may be effective for this account) believed by it to be genuine and in accordance with the procedures described in the prospectus.
- C) It is my/our responsibility to read the prospectus.
- D) If additional information is required for this Application all disclosures, certifications and notices provided on the Application shall be applicable to such information.
- E) I/We represent and warrant that I/we have full right, power and authority to give the foregoing affirmations, certifications and authorizations and to make the investments applied for pursuant to the Application and, if signing on behalf of the beneficial owner, represent and warrant I/we am/are duly authorized to sign this Application and to purchase, exchange and redeem shares.

Taxpayer Identification Number Certification

As required by federal law, I/we certify under penalties of perjury that (1) any Taxpayer Identification Number(s) (including Social Security and Employer Identification Numbers) provided above is/are correct; (2) the Internal Revenue Service has never notified me/us that I/we am/are subject to 28% backup withholding, or has notified me/us that I/we am/are no longer subject to such backup withholdings; and (3) I/we am/are a U.S. person (including a U.S. resident alien). (Note: if any or all of part (2) of the preceding sentence is not true in your case, please strike out that part before signing.) If I/we fail to furnish my/our correct Social Security Number(s), I/we may be subject to a penalty for each failure and my/our account may be subject to 28% backup withholding on distribution and redemption proceeds. **Note: The IRS does not require your consent to any provision of the Account Application other than the certification required to avoid backup withholding.**

Acknowledgment and Signature

The Applicant has received a copy of the current Prospectus which provides a description of all fees and expenses applicable to the purchase of Class A shares of the Principal Funds. Principal Funds Distributors is the principal underwriter of each of the Principal Funds and offers shares of such Funds, as well as other unaffiliated mutual funds for the purpose of funding Section 401(a) plans. The Applicant has retained the recordkeeping services of a third party administrator and has authorized such company to purchase and redeem shares on behalf of and as directed by the Applicant.

Applicant and Trustee Signature/Date

Print Name

Trustee Signature/Date

Print Name

Authorized Signature of Plan Sponsor/Date

Print Name

This application for the purchase of shares complies with the terms of the applicable agreement with Principal Funds Distributor, Inc., and with the current Principal Funds prospectus. I hereby authorize Principal Shareholder Services, Inc. and their appointed sub transfer agent, to act as my Agent in connection with transactions under this *Qualified Plan Application* and I agree to notify Principal Funds of any purchases of shares which may be eligible for a reduced or eliminated sales charge.

Dealer Number

Branch Number

Investment Representative Number

Investment Representative's First Name, Middle Initial, Last Name

Firm Name

Investment Representative's Branch Office Address, City, State, Zip

(_____)

Telephone Number

Extension

Investment Representative's Signature

Date

E-mail Address