

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser: <b>Principal Management Corporation</b>				
Address: (Number and Street) <b>680 8<sup>th</sup> Street</b>	(City) <b>Des Moines</b>	(State) <b>IA</b>	(Zip Code) <b>50392</b>	Area Code: Telephone Number: <b>( 515) 248-3842</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

**Table of Contents**

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees . . . . .	2
2	Types of Clients . . . . .	2
3	Types of Investments . . . . .	3
4	Methods of Analysis, Sources of Information and Investment Strategies . . . . .	3
5	Education and Business Standards . . . . .	4
6	Education and Business Background . . . . .	4
7	Other Business Activities . . . . .	4
8	Other Financial Industry Activities or Affiliations . . . . .	4
9	Participation or Interest in Client Transactions . . . . .	5
10	Conditions for Managing Accounts . . . . .	5
11	Review of Accounts . . . . .	5
12	Investment or Brokerage Discretion . . . . .	6
13	Additional Compensation . . . . .	6
14	Balance Sheet . . . . .	6
	Continuation Sheet . . . . .	Schedule F
	Balance Sheet, if required. . . . .	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

## FORM ADV

## Part II - Page 2

Applicant:

Principal Management Corporation

SEC File Number:

801-8144

Date:

06/12/2009

## 1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)

## Applicant:

- |                                     |     |   |       |
|-------------------------------------|-----|---|-------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | 3.3%  |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services . . . . .  | 96.7% |
| <input type="checkbox"/>            | (3) | Furnishes investment advice through consultations not included in either service described above . . . . .  | %     |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription . . . . .   | %     |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above . . . . .   | %     |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | %     |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | %     |
| <input type="checkbox"/>            | (8) | Provides a timing service . . . . .   | %     |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above . . . . .   | %     |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- |    |   |                                 |   |
|----|---|---------------------------------|---|
| B. | Does applicant call any of the services it checked above financial planning or some similar term? . . . . . | Yes<br><input type="checkbox"/> | No<br><input checked="" type="checkbox"/> |
|----|---|---------------------------------|---|

## C. Applicant offers investment advisory services for: (check all that apply)

- |                                     |     |  |                                     |     |                   |
|-------------------------------------|-----|--|-------------------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input type="checkbox"/>            | (4) | Subscription fees |
| <input type="checkbox"/>            | (2) | Hourly charges                               | <input type="checkbox"/>            | (5) | Commissions       |
| <input type="checkbox"/>            | (3) | Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> | (6) | Other             |

## D. For each checked box in A above, describe on Schedule F:

- I the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- I applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- I when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

## 2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- |                                     |    |                                  |                                     |    |   |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input type="checkbox"/>            | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input type="checkbox"/>            | F. | Corporations or business entities other than those listed above |
| <input checked="" type="checkbox"/> | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input type="checkbox"/>            | D. | Pension and profit sharing plans |                                     |    |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 3**

Applicant:

**Principal Management Corporation**

SEC File Number:

801- **8144**

Date:

**06/12/2009****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                               | <input type="checkbox"/> H. United States government securities      |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                     |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter             | <input type="checkbox"/> I. Options contracts on:                    |
| <input checked="" type="checkbox"/> (3) foreign issues                                 | <input type="checkbox"/> (1) securities                              |
|  | <input type="checkbox"/> (2) commodities                             |
| <input checked="" type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                    |
|  | <input type="checkbox"/> (1) tangibles                               |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input checked="" type="checkbox"/> (2) intangibles                  |
| <input type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> K. Interests in partnerships investing in:  |
| <input type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> (1) real estate                             |
| <input type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (2) oil and gas interests                   |
| <input type="checkbox"/> G. Investment company securities:                             | <input type="checkbox"/> (3) other (explain on Schedule F)           |
| <input type="checkbox"/> (1) variable life insurance                                   | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities  |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                             |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.****A.** Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Charting               | (4) <input checked="" type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |   |

**B.** The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |

**C.** The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 4**

Applicant:

**Principal Management Corporation**

SEC File Number:

**801-8144**

Date:

**06-12-2009****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- ' each member of the investment committee or group that determines general investment advice to be given to clients, or
- ' if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- ' each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| ' name          | ' formal education after high school               |
| ' year of birth | ' business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input checked="" type="checkbox"/> (2) investment company   | <input type="checkbox"/> (8) law firm  |
| <input checked="" type="checkbox"/> (3) other investment adviser   | <input checked="" type="checkbox"/> (9) insurance company or agency                |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:

Principal Management Corporation

SEC File Number:

801- 8144

Date:

06-12-2009

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes

☐

No

☒

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Principal's Chief Investment Officer oversees the management of all of the portfolios. The Chief Investment Officer also chairs the firm's Investment Oversight Committee ("IOC") which provides complex-wide oversight for the management of the portfolios in adherence to investment objectives, guidelines and strategies. The focus of the IOC is on people, process and investment performance. The IOC meets at least quarterly to review investment performance, style consistency, investment process, and adherence to investment guidelines. Significant events impacting investment markets may trigger more frequent or special reviews, depending on relevant circumstances. Membership of the IOC includes Principal's Chief Investment Officer, Chief Compliance Officer, Executive Vice President and other Principal staff, as well as the Funds' Chief Compliance Officer.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Quarterly reports are made to each client's Board of Directors. These reports include performance data, portfolio strategy and holdings and comments on the economy and securities markets. Other special reports may be made if deemed appropriate by the Registrant.

**FORM ADV****Part II - Page 6**

Applicant:

**Principal Management Corporation**

SEC File Number:

**801-8144**

Date:

**06-12-2009****12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☒ ☐

(4) commission rates paid? . . . . .

Yes No

☒ ☐

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

I the products, research and services

I whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services

I whether research is used to service all of applicant's accounts or just those accounts paying for it; and

I any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

☐ ☒

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☐ ☒

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

I has custody of client funds or securities; or

I requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? . . . . .

Yes No

☐ ☒**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
Form ADV Part II Item 1D	<p>The Registrant serves as a "manager of managers" on behalf of the mutual funds organized by Principal Life Insurance Company. The Registrant recommends the hiring and firing of sub-advisory firms, provides ongoing oversight of the sub-advisors' investment advisory services provided to the funds, and provides ongoing compliance oversight of the firms in connection with the services provided to the funds.</p> <p>The registrant provides the following program, often referred to as the "core/satellite" arrangement, for some of its mutual fund clients:</p> <p style="padding-left: 40px;">The Registrant invests between 10% and 40% of the portfolio's assets in common stocks in an attempt to match or exceed the performance of the portfolio's benchmark index for performance. The Registrant provides these investment advisory services through a portfolio manager who functions as a co-employee under a standard employee sharing contract, with Principal Global Investors, LLC ("PGI"), an affiliate.</p> <p style="padding-left: 40px;">The portfolio's benchmark index for performance is identified in the average annual total returns table in the prospectus. Principal's strategy is an active quantitative approach to asset management which Principal refers to as "structured equity." Principal's structured equity strategy applies a risk-controlled investment process that slightly over/underweights individual stocks relative to their weight in the portfolio's benchmark index for performance.</p> <p>The Registrant also provides investment advisory services to the LifeTime portfolios (which are Funds of Funds) of mutual funds organized by Principal Life Insurance Company. In this connection, the Registrant furnishes to the Board of Directors of each fund an investment policy statement consistent with each fund's investment objectives and policies. The Registrant is authorized, within the approved investment program, to determine which mutual funds are to be bought or sold, and in what amounts. The Registrant has entered into a sub-advisory agreement with Principal Global Investors, an affiliated investment advisory firm, to provide asset allocation services to the LifeTime portfolios. Principal Global Investors determines the portion of each portfolio's assets that should be allocated to various asset classes.</p> <p>The Registrant also manages a cash buffer account in connection with the advisory services it provides to some of its mutual fund clients. A cash buffer account has been established for each such fund with the funds' custodian. As each cash buffer account increases or decreases due to the daily cash flows, the Registrant monitors and maintains account balances against pre-set target levels by transferring excess funds to the portfolio managers in a prescribed and orderly fashion and equitizing the remaining cash balance in futures contracts. The amount invested in futures is based on the cash balance in the accounts on the trade date of the investment. Cash held in the cash buffer accounts is not included in asset figures for purposes of determining sub-advisory fees payable.</p> <p>The Registrant also serves as the nondiscretionary investment advisor to a collective investment trust called Principal Trust<sup>SM</sup> Target Date Collective Investment Funds (CIT), a non-registered trust maintained exclusively for the "collective investment" and reinvestment of moneys contributed on behalf of eligible employees' pension, profit</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: <b>801-8144</b>	Date: <b>06/12/2009</b>
---	-------------------------------------	----------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer																																																																																												
Form ADV Part II Item 1D (continued)	<p>sharing and other employee benefit trusts that are exempt from taxation and is not available for investment by the general public. The CIT provides access to funds with underlying assets which consist of Principal Funds, Principal Life Separate Accounts, non-affiliated mutual funds, and non-affiliated collective investment trusts. The Registrant provides asset allocation and investment manager selection advice to Delaware Charter Guarantee &amp; Trust Company, conducting business as Principal Trust Company, the Trustee of the CIT.</p> <p>For providing the investment advisory services and specified other services, the Registrant, under a Management Agreement, is entitled to receive fees computed and accrued daily and payable monthly at the following annual rates:</p> <p><b>Accounts of Principal Variable Contracts Funds, Inc.</b></p> <table><tr><td><p><b>SCHEDULE 1 MANAGEMENT FEES</b> <b>LargeCap Growth Account I and Asset Allocation Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Next \$100 million.....</td><td>0.70%</td></tr><tr><td>Next \$100 million.....</td><td>0.65%</td></tr><tr><td>Over \$400 million.....</td><td>0.60%</td></tr></table></td><td><p><b>SCHEDULE 2 MANAGEMENT FEES</b> <b>Diversified International Account and LargeCap Value Account II</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$250 million.....</td><td>0.85%</td></tr><tr><td>Next \$250 million.....</td><td>0.80%</td></tr><tr><td>Next \$250 million.....</td><td>0.75%</td></tr><tr><td>Next \$250 million.....</td><td>0.70%</td></tr><tr><td>Over \$1 billion.....</td><td>0.65%</td></tr></table></td></tr><tr><td><p><b>SCHEDULE 3 MANAGEMENT FEES</b> <b>MidCap Blend Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.65%</td></tr><tr><td>Next \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Over \$400 billion.....</td><td>0.45%</td></tr></table></td><td><p><b>SCHEDULE 4 MANAGEMENT FEES</b> <b>Balanced Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Over \$400 million.....</td><td>0.40%</td></tr></table></td></tr><tr><td><p><b>SCHEDULE 5 MANAGEMENT FEES</b> <b>Bond and Mortgage Securities Account, Government &amp; High Quality Bond Account, Short-Term Bond Account and Money Market Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Next \$100 million.....</td><td>0.40%</td></tr><tr><td>Next \$100 million.....</td><td>0.35%</td></tr><tr><td>Over \$400 million.....</td><td>0.30%</td></tr></table></td><td><p><b>SCHEDULE 6 MANAGEMENT FEES</b> <b>MidCap Growth Account I and Real Estate Securities Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.90%</td></tr><tr><td>Next \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Over \$400 million.....</td><td>0.70%</td></tr></table></td></tr><tr><td><p><b>SCHEDULE 7 MANAGEMENT FEES</b> <b>SmallCap Growth Account II</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>1.00%</td></tr><tr><td>Next \$100 million.....</td><td>0.95%</td></tr></table></td><td><p><b>SCHEDULE 8 MANAGEMENT FEES</b> <b>SmallCap Blend Account</b></p><table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr></table></td></tr></table>	<p><b>SCHEDULE 1 MANAGEMENT FEES</b> <b>LargeCap Growth Account I and Asset Allocation Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Next \$100 million.....</td><td>0.70%</td></tr><tr><td>Next \$100 million.....</td><td>0.65%</td></tr><tr><td>Over \$400 million.....</td><td>0.60%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.80%	Next \$100 million.....	0.75%	Next \$100 million.....	0.70%	Next \$100 million.....	0.65%	Over \$400 million.....	0.60%	<p><b>SCHEDULE 2 MANAGEMENT FEES</b> <b>Diversified International Account and LargeCap Value Account II</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$250 million.....</td><td>0.85%</td></tr><tr><td>Next \$250 million.....</td><td>0.80%</td></tr><tr><td>Next \$250 million.....</td><td>0.75%</td></tr><tr><td>Next \$250 million.....</td><td>0.70%</td></tr><tr><td>Over \$1 billion.....</td><td>0.65%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$250 million.....	0.85%	Next \$250 million.....	0.80%	Next \$250 million.....	0.75%	Next \$250 million.....	0.70%	Over \$1 billion.....	0.65%	<p><b>SCHEDULE 3 MANAGEMENT FEES</b> <b>MidCap Blend Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.65%</td></tr><tr><td>Next \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Over \$400 billion.....</td><td>0.45%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.65%	Next \$100 million.....	0.60%	Next \$100 million.....	0.55%	Next \$100 million.....	0.50%	Over \$400 billion.....	0.45%	<p><b>SCHEDULE 4 MANAGEMENT FEES</b> <b>Balanced Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Over \$400 million.....</td><td>0.40%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.60%	Next \$100 million.....	0.55%	Next \$100 million.....	0.50%	Next \$100 million.....	0.45%	Over \$400 million.....	0.40%	<p><b>SCHEDULE 5 MANAGEMENT FEES</b> <b>Bond and Mortgage Securities Account, Government &amp; High Quality Bond Account, Short-Term Bond Account and Money Market Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Next \$100 million.....</td><td>0.40%</td></tr><tr><td>Next \$100 million.....</td><td>0.35%</td></tr><tr><td>Over \$400 million.....</td><td>0.30%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.50%	Next \$100 million.....	0.45%	Next \$100 million.....	0.40%	Next \$100 million.....	0.35%	Over \$400 million.....	0.30%	<p><b>SCHEDULE 6 MANAGEMENT FEES</b> <b>MidCap Growth Account I and Real Estate Securities Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.90%</td></tr><tr><td>Next \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Over \$400 million.....</td><td>0.70%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.90%	Next \$100 million.....	0.85%	Next \$100 million.....	0.80%	Next \$100 million.....	0.75%	Over \$400 million.....	0.70%	<p><b>SCHEDULE 7 MANAGEMENT FEES</b> <b>SmallCap Growth Account II</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>1.00%</td></tr><tr><td>Next \$100 million.....</td><td>0.95%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	1.00%	Next \$100 million.....	0.95%	<p><b>SCHEDULE 8 MANAGEMENT FEES</b> <b>SmallCap Blend Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.85%	Next \$100 million.....	0.80%
<p><b>SCHEDULE 1 MANAGEMENT FEES</b> <b>LargeCap Growth Account I and Asset Allocation Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Next \$100 million.....</td><td>0.70%</td></tr><tr><td>Next \$100 million.....</td><td>0.65%</td></tr><tr><td>Over \$400 million.....</td><td>0.60%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.80%	Next \$100 million.....	0.75%	Next \$100 million.....	0.70%	Next \$100 million.....	0.65%	Over \$400 million.....	0.60%	<p><b>SCHEDULE 2 MANAGEMENT FEES</b> <b>Diversified International Account and LargeCap Value Account II</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$250 million.....</td><td>0.85%</td></tr><tr><td>Next \$250 million.....</td><td>0.80%</td></tr><tr><td>Next \$250 million.....</td><td>0.75%</td></tr><tr><td>Next \$250 million.....</td><td>0.70%</td></tr><tr><td>Over \$1 billion.....</td><td>0.65%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$250 million.....	0.85%	Next \$250 million.....	0.80%	Next \$250 million.....	0.75%	Next \$250 million.....	0.70%	Over \$1 billion.....	0.65%																																																																				
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.80%																																																																																												
Next \$100 million.....	0.75%																																																																																												
Next \$100 million.....	0.70%																																																																																												
Next \$100 million.....	0.65%																																																																																												
Over \$400 million.....	0.60%																																																																																												
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$250 million.....	0.85%																																																																																												
Next \$250 million.....	0.80%																																																																																												
Next \$250 million.....	0.75%																																																																																												
Next \$250 million.....	0.70%																																																																																												
Over \$1 billion.....	0.65%																																																																																												
<p><b>SCHEDULE 3 MANAGEMENT FEES</b> <b>MidCap Blend Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.65%</td></tr><tr><td>Next \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Over \$400 billion.....</td><td>0.45%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.65%	Next \$100 million.....	0.60%	Next \$100 million.....	0.55%	Next \$100 million.....	0.50%	Over \$400 billion.....	0.45%	<p><b>SCHEDULE 4 MANAGEMENT FEES</b> <b>Balanced Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.60%</td></tr><tr><td>Next \$100 million.....</td><td>0.55%</td></tr><tr><td>Next \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Over \$400 million.....</td><td>0.40%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.60%	Next \$100 million.....	0.55%	Next \$100 million.....	0.50%	Next \$100 million.....	0.45%	Over \$400 million.....	0.40%																																																																				
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.65%																																																																																												
Next \$100 million.....	0.60%																																																																																												
Next \$100 million.....	0.55%																																																																																												
Next \$100 million.....	0.50%																																																																																												
Over \$400 billion.....	0.45%																																																																																												
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.60%																																																																																												
Next \$100 million.....	0.55%																																																																																												
Next \$100 million.....	0.50%																																																																																												
Next \$100 million.....	0.45%																																																																																												
Over \$400 million.....	0.40%																																																																																												
<p><b>SCHEDULE 5 MANAGEMENT FEES</b> <b>Bond and Mortgage Securities Account, Government &amp; High Quality Bond Account, Short-Term Bond Account and Money Market Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.50%</td></tr><tr><td>Next \$100 million.....</td><td>0.45%</td></tr><tr><td>Next \$100 million.....</td><td>0.40%</td></tr><tr><td>Next \$100 million.....</td><td>0.35%</td></tr><tr><td>Over \$400 million.....</td><td>0.30%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.50%	Next \$100 million.....	0.45%	Next \$100 million.....	0.40%	Next \$100 million.....	0.35%	Over \$400 million.....	0.30%	<p><b>SCHEDULE 6 MANAGEMENT FEES</b> <b>MidCap Growth Account I and Real Estate Securities Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.90%</td></tr><tr><td>Next \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr><tr><td>Next \$100 million.....</td><td>0.75%</td></tr><tr><td>Over \$400 million.....</td><td>0.70%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.90%	Next \$100 million.....	0.85%	Next \$100 million.....	0.80%	Next \$100 million.....	0.75%	Over \$400 million.....	0.70%																																																																				
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.50%																																																																																												
Next \$100 million.....	0.45%																																																																																												
Next \$100 million.....	0.40%																																																																																												
Next \$100 million.....	0.35%																																																																																												
Over \$400 million.....	0.30%																																																																																												
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.90%																																																																																												
Next \$100 million.....	0.85%																																																																																												
Next \$100 million.....	0.80%																																																																																												
Next \$100 million.....	0.75%																																																																																												
Over \$400 million.....	0.70%																																																																																												
<p><b>SCHEDULE 7 MANAGEMENT FEES</b> <b>SmallCap Growth Account II</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>1.00%</td></tr><tr><td>Next \$100 million.....</td><td>0.95%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	1.00%	Next \$100 million.....	0.95%	<p><b>SCHEDULE 8 MANAGEMENT FEES</b> <b>SmallCap Blend Account</b></p> <table><tr><th>Average Daily Net Assets of the Account</th><th>Fee as a Percentage of Average Daily Net Assets</th></tr><tr><td>First \$100 million.....</td><td>0.85%</td></tr><tr><td>Next \$100 million.....</td><td>0.80%</td></tr></table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$100 million.....	0.85%	Next \$100 million.....	0.80%																																																																																
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	1.00%																																																																																												
Next \$100 million.....	0.95%																																																																																												
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																																												
First \$100 million.....	0.85%																																																																																												
Next \$100 million.....	0.80%																																																																																												

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: <b>801-8144</b>	Date: <b>06/12/2009</b>
---	-------------------------------------	----------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
Form ADV Part II Item 1D (continued)	<p>Next \$100 million.....0.90%      Next \$100 million.....0.75%</p> <p>Next \$100 million.....0.85%      Next \$100 million.....0.70%</p> <p>Over \$400 million.....0.80%      Over \$400 million.....0.65%</p> <p><b>SCHEDULE 9 MANAGEMENT FEES</b> <b>SmallCap Value Account I</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$100 million.....1.10% Next \$100 million.....1.05% Next \$100 million.....1.00% Next \$100 million.....0.95% Over \$400 million.....0.90%</p> <p><b>SCHEDULE 10 MANAGEMENT FEES</b> <b>International SmallCap Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$100 million.....1.20% Next \$100 million.....1.15% Next \$100 million.....1.10% Next \$100 million.....1.05% Over \$400 million.....1.00%</p> <p><b>SCHEDULE 11 MANAGEMENT FEES</b> <b>LargeCap Value Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$250 million.....0.60% Next \$250 million.....0.55% Next \$250 million.....0.50% Next \$250 million.....0.45% Over \$1 billion.....0.40%</p> <p><b>SCHEDULE 12 MANAGEMENT FEES</b> <b>MidCap Value Account II</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$250 million.....1.05% Next \$250 million.....1.00% Next \$250 million.....0.95% Next \$250 million.....0.90% Over \$1 billion.....0.85%</p> <p><b>SCHEDULE 13 MANAGEMENT FEES</b> <b>LargeCap S&amp;P 500 Index Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> All Net Assets.....0.25%</p> <p><b>SCHEDULE 14 MANAGEMENT FEES</b> <b>International Emerging Markets Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$250 million.....1.25% Next \$250 million.....1.20% Next \$250 million.....1.15% Next \$250 million.....1.10% Over \$1 billion.....1.05%</p> <p><b>SCHEDULE 15 MANAGEMENT FEES</b> <b>LargeCap Value Account III and LargeCap Blend Account II</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$250 million.....0.75% Next \$250 million.....0.70% Next \$250 million.....0.65% Next \$250 million.....0.60% Over \$1 billion.....0.55%</p> <p><b>SCHEDULE 16 MANAGEMENT FEES</b> <b>Principal LifeTime 2010, Principal LifeTime 2020, Principal LifeTime 2030, Principal LifeTime 2040, Principal LifeTime 2050 and Principal LifeTime Strategic Income Accounts</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$3 billion.....0.1225% Over \$3 billion.....0.1125%</p> <p><b>SCHEDULE 17 MANAGEMENT FEES</b> <b>Equity Income Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$100 million.....0.60%</p> <p><b>SCHEDULE 18 MANAGEMENT FEES</b> <b>West Coast Equity Account</b> Average Daily Net      Fee as a Percentage of <u>Assets of the Account</u>      <u>Average Daily Net Assets</u> First \$500 million.....0.625%</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: 801-8144	Date: 06/12/2009
---	------------------------------	---------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer																																																																								
Form ADV Part II Item 1D (continued)	<p>Next \$100 million.....0.55%      Over \$500 million.....0.50%</p> <p>Next \$100 million.....0.50%</p> <p>Next \$100 million.....0.45%</p> <p>Over \$400 million.....0.40%</p> <p><b>SCHEDULE 19 MANAGEMENT FEES</b></p> <p><b>MidCap Stock Account</b></p> <table> <tr> <td>Average Daily Net Assets of the Account</td><td>Fee as a Percentage of Average Daily Net Assets</td></tr> <tr> <td>First \$1 billion.....</td><td>0.75%</td></tr> <tr> <td>Next \$1 billion.....</td><td>0.70%</td></tr> <tr> <td>Next \$1 billion.....</td><td>0.65%</td></tr> <tr> <td>Over \$3 billion.....</td><td>0.60%</td></tr> </table> <p><b>SCHEDULE 20 MANAGEMENT FEES</b></p> <p><b>Mortgage Securities Account and Income Account</b></p> <table> <tr> <td>Average Daily Net Assets of the Account</td><td>Fee as a Percentage of Average Daily Net Assets</td></tr> <tr> <td>First \$2 billion.....</td><td>0.50%</td></tr> <tr> <td>Next \$2 billion.....</td><td>0.45%</td></tr> </table> <p><b>SCHEDULE 21 MANAGEMENT FEES</b></p> <p><b>Short-Term Income Account</b></p> <table> <tr> <td>Average Daily Net Assets of the Account</td><td>Fee as a Percentage of Average Daily Net Assets</td></tr> <tr> <td>First \$200 million.....</td><td>0.50%</td></tr> <tr> <td>Next \$300 million.....</td><td>0.45%</td></tr> <tr> <td>Over \$500 million.....</td><td>0.40%</td></tr> </table> <p><b>SCHEDULE 22 MANAGEMENT FEES</b></p> <p><b>Strategic Asset Management (SAM) Portfolio Accounts*</b></p> <table> <tr> <td>Average Daily Net Assets of the Account</td><td>Fee as a Percentage of Average Daily Net Assets</td></tr> <tr> <td>First \$1 billion.....</td><td>0.25%</td></tr> <tr> <td>Over \$1 billion.....</td><td>0.20%</td></tr> </table> <p>* Breakpoints based on aggregate SAM Portfolio net assets</p> <p><b>SCHEDULE 23 MANAGEMENT FEES</b></p> <p><b>LargeCap Growth Account</b></p> <table> <tr> <td>Average Daily Net Assets of the Account</td><td>Fee as a Percentage of Average Daily Net Assets</td></tr> <tr> <td>First \$500 million.....</td><td>0.68%</td></tr> <tr> <td>Next \$500 million.....</td><td>0.65%</td></tr> <tr> <td>Next \$1 billion.....</td><td>0.62%</td></tr> <tr> <td>Next \$1 billion.....</td><td>0.58%</td></tr> <tr> <td>Over \$3 billion.....</td><td>0.55%</td></tr> </table> <p><b>Funds of Principal Fund, Inc.</b></p> <table> <tr> <th>Series</th><th>Management Fee as a Percentage Of Daily Average Net Assets</th></tr> <tr> <td>LargeCap S&amp;P 500 Index Fund</td><td>0.15%</td></tr> <tr> <td>MidCap S&amp;P 400 Index Fund</td><td>0.15%</td></tr> <tr> <td>SmallCap S&amp;P 600 Index Fund</td><td>0.15%</td></tr> <tr> <td>Ultra Short Bond Fund</td><td>0.38%</td></tr> </table> <table border="1"> <thead> <tr> <th rowspan="2">Series</th><th colspan="2">Management Fee as a Percentage Of Daily Average Net Assets</th></tr> <tr> <th>First \$3 billion</th><th>Over \$3 billion</th></tr> </thead> <tbody> <tr> <td>LifeTime 2010 Fund</td><td>0.1225%</td><td>0.1125%</td></tr> <tr> <td>LifeTime 2015 Fund</td><td>0.1225%</td><td>0.1125%</td></tr> <tr> <td>LifeTime 2020 Fund</td><td>0.1225%</td><td>0.1125%</td></tr> <tr> <td>LifeTime 2025 Fund</td><td>0.1225%</td><td>0.1125%</td></tr> <tr> <td>LifeTime 2030 Fund</td><td>0.1225%</td><td>0.1125%</td></tr> </tbody> </table>	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$1 billion.....	0.75%	Next \$1 billion.....	0.70%	Next \$1 billion.....	0.65%	Over \$3 billion.....	0.60%	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$2 billion.....	0.50%	Next \$2 billion.....	0.45%	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$200 million.....	0.50%	Next \$300 million.....	0.45%	Over \$500 million.....	0.40%	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$1 billion.....	0.25%	Over \$1 billion.....	0.20%	Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets	First \$500 million.....	0.68%	Next \$500 million.....	0.65%	Next \$1 billion.....	0.62%	Next \$1 billion.....	0.58%	Over \$3 billion.....	0.55%	Series	Management Fee as a Percentage Of Daily Average Net Assets	LargeCap S&P 500 Index Fund	0.15%	MidCap S&P 400 Index Fund	0.15%	SmallCap S&P 600 Index Fund	0.15%	Ultra Short Bond Fund	0.38%	Series	Management Fee as a Percentage Of Daily Average Net Assets		First \$3 billion	Over \$3 billion	LifeTime 2010 Fund	0.1225%	0.1125%	LifeTime 2015 Fund	0.1225%	0.1125%	LifeTime 2020 Fund	0.1225%	0.1125%	LifeTime 2025 Fund	0.1225%	0.1125%	LifeTime 2030 Fund	0.1225%	0.1125%
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																								
First \$1 billion.....	0.75%																																																																								
Next \$1 billion.....	0.70%																																																																								
Next \$1 billion.....	0.65%																																																																								
Over \$3 billion.....	0.60%																																																																								
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																								
First \$2 billion.....	0.50%																																																																								
Next \$2 billion.....	0.45%																																																																								
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																								
First \$200 million.....	0.50%																																																																								
Next \$300 million.....	0.45%																																																																								
Over \$500 million.....	0.40%																																																																								
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																								
First \$1 billion.....	0.25%																																																																								
Over \$1 billion.....	0.20%																																																																								
Average Daily Net Assets of the Account	Fee as a Percentage of Average Daily Net Assets																																																																								
First \$500 million.....	0.68%																																																																								
Next \$500 million.....	0.65%																																																																								
Next \$1 billion.....	0.62%																																																																								
Next \$1 billion.....	0.58%																																																																								
Over \$3 billion.....	0.55%																																																																								
Series	Management Fee as a Percentage Of Daily Average Net Assets																																																																								
LargeCap S&P 500 Index Fund	0.15%																																																																								
MidCap S&P 400 Index Fund	0.15%																																																																								
SmallCap S&P 600 Index Fund	0.15%																																																																								
Ultra Short Bond Fund	0.38%																																																																								
Series	Management Fee as a Percentage Of Daily Average Net Assets																																																																								
	First \$3 billion	Over \$3 billion																																																																							
LifeTime 2010 Fund	0.1225%	0.1125%																																																																							
LifeTime 2015 Fund	0.1225%	0.1125%																																																																							
LifeTime 2020 Fund	0.1225%	0.1125%																																																																							
LifeTime 2025 Fund	0.1225%	0.1125%																																																																							
LifeTime 2030 Fund	0.1225%	0.1125%																																																																							

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer					
Form ADV Part II Item 1D (continued)	LifeTime 2035 Fund	0.1225%	0.1125%			
	LifeTime 2040 Fund	0.1225%	0.1125%			
	LifeTime 2045 Fund	0.1225%	0.1125%			
	LifeTime 2050 Fund	0.1225%	0.1125%			
	LifeTime 2055 Fund	0.1225%	0.1125%			
	LifeTime Strategic Income Fund	0.1225%	0.1125%			
	<u>Series</u>	<u>Management Fee as a Percentage of Daily Average Net Assets</u>				
		<u>First</u>	<u>Next</u>	<u>Next</u>	<u>Over</u>	
		<u>\$500 million</u>	<u>\$500 million</u>	<u>\$500 million</u>	<u>\$1.5 billion</u>	
	Disciplined LargeCap Blend Fund	0.60%	0.58%	0.56%	0.55%	
	Global Equity Fund I	0.95%	0.93%	0.91%	0.90%	
	Global Real Estate Securities Fund	0.90%	0.88%	0.86%	0.85%	
	Government & High Quality Bond Fund	0.40%	0.38%	0.36%	0.35%	
	High Quality Intermediate-Term Bond Fund	0.40%	0.38%	0.36%	0.35%	
	High Yield Fund I	0.65%	0.63%	0.61%	0.60%	
	Inflation Protection Fund	0.40%	0.38%	0.36%	0.35%	
	International Emerging Markets Fund	1.20%	1.18%	1.16%	1.15%	
	International Fund I	1.10%	1.08%	1.06%	1.05%	
	International Growth Fund	1.00%	0.98%	0.96%	0.95%	
	International Value Fund I	1.10%	1.08%	1.06%	1.05%	
	LargeCap Blend Fund I	0.45%	0.43%	0.41%	0.40%	
	LargeCap Blend Fund II	0.75%	0.73%	0.71%	0.70%	
	LargeCap Growth Fund I	0.75%	0.73%	0.71%	0.70%	
	LargeCap Growth Fund II	0.95%	0.93%	0.91%	0.90%	
	LargeCap Value Fund	0.45%	0.43%	0.41%	0.40%	
	LargeCap Value Fund I	0.80%	0.78%	0.76%	0.75%	
	LargeCap Value Fund II	0.85%	0.83%	0.81%	0.80%	
	MidCap Blend Fund	0.65%	0.63%	0.61%	0.60%	
	MidCap Growth Fund	0.65%	0.63%	0.61%	0.60%	
	MidCap Growth Fund I	1.00%	0.98%	0.96%	0.95%	
	MidCap Growth Fund II	1.00%	0.98%	0.96%	0.95%	
	MidCap Growth Fund III	1.00%	0.96%	0.94%	0.92%	
	MidCap Value Fund I	1.00%	0.98%	0.96%	0.95%	
MidCap Value Fund II	1.00%	0.98%	0.96%	0.95%		
MidCap Value Fund III	0.65%	0.63%	0.61%	0.60%		
SmallCap Blend Fund I	1.00%	0.98%	0.96%	0.95%		
SmallCap Growth Fund I	1.10%	1.08%	1.06%	1.05%		
SmallCap Growth Fund II	1.00%	0.98%	0.96%	0.95%		
SmallCap Growth Fund III	1.10%	1.08%	1.06%	1.05%		
SmallCap Value Fund I	1.00%	0.98%	0.96%	0.95%		
SmallCap Value Fund II	1.00%	0.98%	0.96%	0.95%		
SmallCap Value Fund III	1.00%	0.98%	0.96%	0.95%		
Preferred Securities Fund	0.75%	0.73%	0.71%	0.70%		
Real Estate Securities Fund	0.85%	0.83%	0.81%	0.80%		
Short-Term Bond Fund	0.40%	0.38%	0.36%	0.35%		
SmallCap Blend Fund	0.75%	0.73%	0.71%	0.70%		
SmallCap Growth Fund	0.75%	0.73%	0.71%	0.70%		
SmallCap Value Fund	0.75%	0.73%	0.71%	0.70%		
Tax Exempt Bond Fund I	0.50%	0.48%	0.46%	0.45%		
<u>Series</u>	<u>Management Fee as a Percentage of Daily Average Net Assets</u>					
	<u>First</u>	<u>Next</u>	<u>Next</u>	<u>Next</u>	<u>Next</u>	<u>Over</u>
	<u>\$500 million</u>	<u>\$500 million</u>	<u>\$500 million</u>	<u>\$500 million</u>	<u>\$1 billion</u>	<u>\$3 billion</u>
Bond and Mortgage Securities Fund	0.55%	0.53%	0.51%	0.50%	0.48%	0.45%
Global Diversified Income Fund	0.80%	0.78%	0.76%	0.75%	0.73%	0.70%
Money Market Fund	0.40%	0.39%	0.38%	0.37%	0.36%	0.35%
LargeCap Value Fund III	0.80%	0.78%	0.76%	0.75%	0.73%	0.70%
Diversified International	0.90%	0.88%	0.86%	0.85%	0.83%	0.80%

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: <b>801-8144</b>	Date: <b>06/12/2009</b>
---	-------------------------------------	----------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer																			
Form ADV Part II Item 1D (continued)	Fund																			
	<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Next</th><th>Next</th><th>Next</th><th>Over</th></tr><tr><th>\$500 million</th><th>\$500 million</th><th>\$500 million</th><th>\$500 million</th><th>\$500 million</th><th>\$2.5 billion</th></tr></thead><tbody><tr><td>Core Plus Bond Fund I</td><td>0.60%</td><td>0.58%</td><td>0.56%</td><td>0.55%</td><td>0.53%</td><td>0.50%</td></tr></tbody></table></div>	First	Next	Next	Next	Next	Over	\$500 million	\$500 million	\$500 million	\$500 million	\$500 million	\$2.5 billion	Core Plus Bond Fund I	0.60%	0.58%	0.56%	0.55%	0.53%	0.50%
	First	Next	Next	Next	Next	Over														
	\$500 million	\$500 million	\$500 million	\$500 million	\$500 million	\$2.5 billion														
	Core Plus Bond Fund I	0.60%	0.58%	0.56%	0.55%	0.53%	0.50%													
	<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Next</th><th>Over</th></tr><tr><th>\$500 million</th><th>\$500 million</th><th>\$500 million</th><th>Over 1.5 billion</th></tr></thead><tbody><tr><td>International Value Fund I</td><td>1.10%</td><td>1.08%</td><td>1.06%</td><td>1.05%</td></tr></tbody></table></div>	First	Next	Next	Over	\$500 million	\$500 million	\$500 million	Over 1.5 billion	International Value Fund I	1.10%	1.08%	1.06%	1.05%						
	First	Next	Next	Over																
	\$500 million	\$500 million	\$500 million	Over 1.5 billion																
	International Value Fund I	1.10%	1.08%	1.06%	1.05%															
	<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Over</th></tr><tr><th>\$250 million</th><th>\$250 million</th><th>\$500 million</th></tr></thead><tbody><tr><td>Equity Income Fund</td><td>0.60%</td><td>0.55%</td><td>0.50%</td></tr></tbody></table></div>	First	Next	Over	\$250 million	\$250 million	\$500 million	Equity Income Fund	0.60%	0.55%	0.50%									
	First	Next	Over																	
	\$250 million	\$250 million	\$500 million																	
	Equity Income Fund	0.60%	0.55%	0.50%																
	<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Over</th></tr><tr><th>\$500 million</th><th>\$500 million</th><th>\$1 billion</th></tr></thead><tbody><tr><td>West Coast Equity Fund</td><td>0.625%</td><td>0.50%</td><td>0.375%</td></tr></tbody></table></div>	First	Next	Over	\$500 million	\$500 million	\$1 billion	West Coast Equity Fund	0.625%	0.50%	0.375%									
	First	Next	Over																	
\$500 million	\$500 million	\$1 billion																		
West Coast Equity Fund	0.625%	0.50%	0.375%																	
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Next</th><th>Over</th></tr><tr><th>\$1 billion</th><th>\$1 billion</th><th>\$1 billion</th><th>\$3 billion</th></tr></thead><tbody><tr><td>MidCap Stock Fund</td><td>0.75%</td><td>0.70%</td><td>0.65%</td><td>0.60%</td></tr></tbody></table></div>	First	Next	Next	Over	\$1 billion	\$1 billion	\$1 billion	\$3 billion	MidCap Stock Fund	0.75%	0.70%	0.65%	0.60%							
First	Next	Next	Over																	
\$1 billion	\$1 billion	\$1 billion	\$3 billion																	
MidCap Stock Fund	0.75%	0.70%	0.65%	0.60%																
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Over</th></tr><tr><th>\$2 billion</th><th>\$2 billion</th></tr></thead><tbody><tr><td>Mortgage Securities Fund</td><td>0.50%</td><td>0.45%</td></tr><tr><td>Income Fund</td><td>0.50%</td><td>0.45%</td></tr></tbody></table></div>	First	Over	\$2 billion	\$2 billion	Mortgage Securities Fund	0.50%	0.45%	Income Fund	0.50%	0.45%										
First	Over																			
\$2 billion	\$2 billion																			
Mortgage Securities Fund	0.50%	0.45%																		
Income Fund	0.50%	0.45%																		
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Over</th></tr><tr><th>\$250 million</th><th>\$250 million</th></tr></thead><tbody><tr><td>High Yield Fund</td><td>0.625%</td><td>0.50%</td></tr></tbody></table></div>	First	Over	\$250 million	\$250 million	High Yield Fund	0.625%	0.50%													
First	Over																			
\$250 million	\$250 million																			
High Yield Fund	0.625%	0.50%																		
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Over</th></tr><tr><th>\$1 billion</th><th>\$1 billion</th></tr></thead><tbody><tr><td>California Municipal Fund</td><td>0.50%</td><td>0.45%</td></tr></tbody></table></div>	First	Over	\$1 billion	\$1 billion	California Municipal Fund	0.50%	0.45%													
First	Over																			
\$1 billion	\$1 billion																			
California Municipal Fund	0.50%	0.45%																		
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Over</th></tr><tr><th>\$200 million</th><th>\$300 million</th><th>\$500 million</th></tr></thead><tbody><tr><td>Short-Term Income Fund</td><td>0.50%</td><td>0.45%</td><td>0.40%</td></tr></tbody></table></div>	First	Next	Over	\$200 million	\$300 million	\$500 million	Short-Term Income Fund	0.50%	0.45%	0.40%										
First	Next	Over																		
\$200 million	\$300 million	\$500 million																		
Short-Term Income Fund	0.50%	0.45%	0.40%																	
<div><div>Series</div><div>Management Fee as a Percentage of Daily Average Net Assets</div><table><thead><tr><th>First</th><th>Next</th><th>Next</th><th>Next</th><th>Over</th></tr><tr><th>\$500 million</th><th>\$500 million</th><th>\$1 billion</th><th>\$1 billion</th><th>\$3 billion</th></tr></thead><tbody><tr><td>LargeCap Growth Fund</td><td>0.68%</td><td>0.65%</td><td>0.62%</td><td>0.58%</td><td>0.55%</td></tr></tbody></table></div>	First	Next	Next	Next	Over	\$500 million	\$500 million	\$1 billion	\$1 billion	\$3 billion	LargeCap Growth Fund	0.68%	0.65%	0.62%	0.58%	0.55%				
First	Next	Next	Next	Over																
\$500 million	\$500 million	\$1 billion	\$1 billion	\$3 billion																
LargeCap Growth Fund	0.68%	0.65%	0.62%	0.58%	0.55%															

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: <b>801-8144</b>	Date: <b>06/12/2009</b>
---	-------------------------------------	----------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer																																																							
Form ADV Part II Item 1D (continued)	<table><tr><th rowspan="2">Series</th><th colspan="7">Management Fee as a Percentage of Daily Average Net Assets</th></tr><tr><th>First \$500 million</th><th>Next \$500 million</th><th>Next \$1 billion</th><th>Next \$1 billion</th><th>Next \$1 billion</th><th>Next \$1 billion</th><th>Over \$5 billion</th></tr><tr><td>SAM Balanced Portfolio</td><td>0.55%</td><td>0.50%</td><td>0.45%</td><td>0.40%</td><td>0.35%</td><td>0.30%</td><td>0.25%</td></tr><tr><td>SAM Conservative Balanced Portfolio</td><td>0.55%</td><td>0.50%</td><td>0.45%</td><td>0.40%</td><td>0.35%</td><td>0.30%</td><td>0.25%</td></tr><tr><td>SAM Conservative Growth Portfolio</td><td>0.55%</td><td>0.50%</td><td>0.45%</td><td>0.40%</td><td>0.35%</td><td>0.30%</td><td>0.25%</td></tr><tr><td>SAM Flexible Income Portfolio</td><td>0.55%</td><td>0.50%</td><td>0.45%</td><td>0.40%</td><td>0.35%</td><td>0.30%</td><td>0.25%</td></tr><tr><td>SAM Strategic Growth Portfolio</td><td>0.55%</td><td>0.50%</td><td>0.45%</td><td>0.40%</td><td>0.35%</td><td>0.30%</td><td>0.25%</td></tr></table> <p>Investment advisory fees are negotiated at the time of the initial organization of a mutual fund organized by Principal Life Insurance Company. The fees are reviewed annually by the fund clients' board of directors.</p> <p>The Registrant also provides corporate administrative services as a part of the above fee, which includes providing office space, facilities and simple business equipment and the cost of keeping the books of the funds. The Registrant also compensates all personnel, officers and directors, if such officers and directors are also affiliated with the Registrant. In addition, the Registrant also provides and pays for fees for auditors and legal counsel and preparing and printing client prospectuses for Principal Variable Contracts Fund. In addition, with regard to Principal Variable Contracts Fund, the Registrant provides, as part of the above fee, administration of shareholder accounts, including issuance and maintenance of open account system, dividend disbursement, reports to shareholders, redemption and all services customarily performed by the transfer and paying agent.</p> <p>The Registrant is also responsible for providing portfolio accounting services to the Funds.</p> <p>The Registrant is also responsible for qualifying shares of the Fund for sale in states and other jurisdictions for the Principal Investors Fund. Currently these services are provided by the Registrant to the Institutional Class, Advisors Select, Advisors Preferred, Advisors Signature, Select and Preferred classes at no charge.</p> <p>The Registrant does not collect a fee for its management of Principal Trust<sup>SM</sup> Target Date collective Investment Funds.</p> <p><u>Types of Investments</u></p> <p>The Registrant provides investment advice to its mutual fund clients (LifeTime Funds) regarding investments in shares of other investment companies, consistent with the fund's investment policies and restrictions as disclosed in the fund's registration statement.</p> <p>In its role of advisor for the Principal Trust Target Date Collective Investment Trust, the Registrant advises on the investment in other collective investment trusts, as well as</p>	Series	Management Fee as a Percentage of Daily Average Net Assets							First \$500 million	Next \$500 million	Next \$1 billion	Next \$1 billion	Next \$1 billion	Next \$1 billion	Over \$5 billion	SAM Balanced Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%	SAM Conservative Balanced Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%	SAM Conservative Growth Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%	SAM Flexible Income Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%	SAM Strategic Growth Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%
Series	Management Fee as a Percentage of Daily Average Net Assets																																																							
	First \$500 million	Next \$500 million	Next \$1 billion	Next \$1 billion	Next \$1 billion	Next \$1 billion	Over \$5 billion																																																	
SAM Balanced Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%																																																	
SAM Conservative Balanced Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%																																																	
SAM Conservative Growth Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%																																																	
SAM Flexible Income Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%																																																	
SAM Strategic Growth Portfolio	0.55%	0.50%	0.45%	0.40%	0.35%	0.30%	0.25%																																																	
Form ADV Part II Item 3 L																																																								

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
Form ADV Part II Item 4(A).5	<p>mutual funds.</p> <p><u>Methods of Analysis</u></p> <p>The Registrant considers many different factors in determining into which Principal Funds the LifeTime portfolios will invest. Factors that are considered include the Registrant's view of each manager's ability to outperform, the overall tracking error and risk level of the portfolio, the overall style characteristics of each major asset class compared to its index, diversification within the portfolio by investment firm and process, and a preference to minimize the costs of turnover and fund expenses.</p> <p>The <i>Compass product</i> is used to perform optimizations that seek to minimize portfolio tracking error (risk versus the benchmark) and to measure style neutrality. Compass is also used to measure whether or not historic risk and returns levels for the portfolios are appropriate. Factset gives the Registrant the ability to perform detailed attributions both on each underlying fund as well as each LifeTime portfolio. Because Factset is based on current portfolio holdings, it gives us a better <i>forecast</i> of future risk levels than by looking at Compass alone. The Registrant's goal is to provide consistent outperformance through strong manager selection rather than trying to make tactical decisions about which asset classes or equity styles will be in favor.</p>	
Form ADV Part II Item 4.B.(8)	<p>In addition to those methods previously noted the Registrant may utilize quantitative modeling with the core/satellite portion of the relevant portfolios.</p> <p><u>Sources of Information</u></p> <p>The Registrant has access to the underlying holdings of all Principa Fund portfolios in which the LifeTime Funds may invest. Portfolio holdings of the Principal Funds are loaded into a specialized risk model on a daily or weekly basis. This gives the Registrant the ability to analyze portfolio positioning, risk, and sources of performance for each underlying portfolio in LifeTime, other portfolios that could be included in LifeTime, and the LifeTime portfolios themselves. This risk model is Factset.</p> <p>A Wilshire product called <i>Compass</i> is also used for both equity and fixed income portfolios. Monthly portfolio performance is available for all of our products and their relevant indexes. Morningstar data by investment category is also used in an effort to monitor peer group performance.</p>	
Form ADV Part II Item 4(C)(7)	<p>For fixed income portfolios, the Registrant also receives additional risk information on a quarterly basis from the fixed income sub-advisors.</p> <p><u>Investment Strategies</u></p> <p>For services provided to the LifeTime Funds, the Registrant chooses its investment strategies from among the Principal Funds in which the LifeTime Funds may invest. Each of these funds is monitored on an ongoing basis by the Registrant's Research Group on both quantitative (performance) and qualitative (fundamental) basis. The sub-advisor of the LifeTime Funds, Principal Global Investors, sets strategic weights for each of the asset classes within the various LifeTime funds. The Registrant's role is to select and appropriately weight the managers within each asset class. The Registrant is also responsible for ongoing monitoring of each investment option underlying the LifeTime funds.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
Form ADV Part II Item 5	<p>With respect to the core/satellite portion of the portfolio's, the Registrant's strategy is an active quantitative approach to asset management which Principal refers to as "structured equity." Principal's structured equity strategy applies a risk-controlled investment process that slightly over/underweights individual stocks relative to their weight in the Account's benchmark index for performance.</p> <p><u>Education and Business Standards</u> A Masters degree in economics or finance or equivalent business experience is ordinarily required.</p>	
Form ADV Part II Item 6	<p><u>Education and Business Background</u> Nora M. Everett: President; Born 1959; Formal Education after High School: BS, Iowa State University, Ames, Iowa; JD, William and Mary College, Williamsburg, VA; Business Background for preceding 5 years: President of Principal Management Corporation since 2008; prior thereto, Senior Vice President and Deputy General of Principal Financial Group.</p> <p>James W. Fennessey: Head of Investment Manager Research; Born 1977; Formal Education after High School; BS, Truman State University; Business Background for preceding 5 years: Head of Investment Management Research, Principal Life Insurance Company.</p> <p>Michael P. Finnegan: Chief Investment Officer; Born 1963; Formal Education after High School: BBA, Iowa State University; MA, University of Iowa; Business Background for preceding 5 years: Vice President, Principal Life Insurance Company, 2008 ; prior thereto 2<sup>nd</sup> Vice President</p> <p>Randy L. Welch: Portfolio Manager; Born 1962; Formal Education after High School: BA, Grandview College; MBA, Drake University. Business Background for preceding 5 years: Vice President, Principal Management Corporation, since 2005; prior thereto, Assistant Director, Principal Life Insurance Company.</p> <p>Mark Stark: Portfolio Manager; Born 1956; Formal Education after High School: BS, University of Nebraska; Business Background preceding 5 years; Vice President and Portfolio Manager, Principal Management Corporation since 2008, prior thereto, Vice President, Principal Management Corporation and Principal Financial Advisor, Inc.</p> <p>Mariateresa Monaco: Portfolio Manager; born 1964; Formal Education after High School: MBA, Sloan School of Management, Massachusetts Institute of Technology; MA, Northwestern University, MA, Politecnico di Torino, Italy; Business Background preceding 5 years: Portfolio Manager, Principal Global Investors since 2005, prior thereto Senior Quantitative Analyst, Fidelity Investment Management Co.</p> <p>Scott Smith: Portfolio Manager; Born 1976; Formal Education after High School: BA, Iowa State University; Business Background preceding 5 years: Investment Analyst and Portfolio Manager, Principal Global Investors since 2007, prior thereto Investment Analyst.</p>	
Form ADV Part II Item 7B		
Form ADV Part II Item 8C	<p><u>Other Business Activities</u> The Registrant provides certain administrative services in connection with the Plan Class shares of Principal Fund.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>	IRS Empl. Ident. No.: <b>42-0948302</b>
--	--

Item of Form (identify)	Answer
Form ADV Part II Item 8C(1)	<b><u>Material Arrangements to Advisory Business</u></b>
Form ADV Part II Item 8C(2)	<p><b>Broker-Dealer</b> Principal Funds Distributor, Inc. ("PFD") is a wholly-owned subsidiary of the Registrant. PFD is a limited services broker-dealer registered with the SEC and a FINRA member firm that serves as principal underwriter for Principal Funds and Principal Variable Contracts Funds. Princor also markets mutual funds, unit investment trusts, limited partnerships, stocks and bonds. The Registrant and Princor are wholly-owned subsidiaries of Principal Financial Services, Inc.</p>
Form ADV Part II Item 8C(3)	<p><b>Investment Company</b> The Registrant has executed a contract to provide investment advisory and specified other services to each mutual fund organized by Principal Life Insurance Company.</p> <p><b>Other Investment Advisors</b> Principal Global Investors, LLC ("PGI"), an investment advisor registered with the SEC, is an indirect wholly-owned subsidiary of Principal Life Insurance Company, a related person of the Registrant. The Registrant has executed sub-advisory agreements with PGI to serve as investment sub-advisor to certain mutual funds organized by Principal Life Insurance Company.</p> <p>In addition to and separate from the sub-advisory agreements between the Registrant and Principal Global Investors, LLC, the Registrant may utilize the advisory and/or management services of Principal Global Investors, an affiliate of the Registrant, when providing advisory and/or management services to mutual funds organized by Principal Life Insurance Company.</p> <p>Principal Global Investors, LLC is an indirect wholly owned subsidiary of Principal Financial Group thus is a "Participating Affiliate" of the Registrant (as that term has been defined by the Staff of the Securities and Exchange Commission in various no-action letters) in that certain employees of PGI are shared with the Registrant and may provide, on behalf of Registrant, investment advice to the mutual funds organized by Principal Life Insurance Company. The Participating Affiliate is also registered as an Investment Adviser under the Investment Advisers Act of 1940. Certain personnel listed in Part II of this Form ADV are employed by the Participating Affiliate and may render investment advice through the Registrant to the mutual funds organized by Principal Life Insurance Company. The Registrant supervises these employees and at times other administrative personnel, including management, trading and compliance staff of the Participating Affiliate with respect to their work on behalf of Registrant for the mutual funds organized by Principal Life Insurance Company.</p> <p>Principal Global Investors, LLC and the Registrant are wholly owned indirect subsidiaries of Principal Financial Group. Both provide investment advice and market asset management products and services to clients. As such, Principal Global Investors, LLC and the Registrant are Advisory Affiliates for purposes of the related discussion and disclosures in Part I of this Form ADV.</p> <p>Principal Real Estate Investors, LLC ("Principal – REI"), an investment advisor registered with the SEC, is an indirect wholly-owned subsidiary of Principal Life Insurance Company,</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
	<p>a related person of the Registrant. The Registrant has executed sub-advisory agreements with Principal – REI to serve as investment sub-advisor to certain mutual funds organized by Principal Life Insurance Company.</p> <p>Spectrum Asset Management, Inc. ("Spectrum"), an investment advisor registered with the SEC, is an indirect wholly-owned subsidiary of Principal Life Insurance Company, a related person of the Registrant. The Registrant has executed sub-advisory agreements with Spectrum to serve as investment sub-advisor to certain mutual funds organized by Principal Life Insurance Company. Spectrum is registered with the SEC and NASD as a broker-dealer.</p> <p>Columbus Circle Investors ("CCI"), an investment advisor registered with the SEC, is an indirect wholly-owned subsidiary of Principal Life Insurance Company, a related person of the Registrant. The Registrant has executed sub-advisory agreements with CCI to serve as investment sub-advisor to certain mutual funds organized by Principal Life Insurance Company.</p> <p>Edge Asset Management, Inc., an investment advisor registered with the SEC, is a wholly-owned subsidiary of the Registrant. The Registrant has executed sub-advisory agreements with Edge to serve as investment sub-advisor to certain mutual funds organized by Principal Life Insurance Company.</p>	
Form ADV Part II Item 8C(9)	Princor Financial Services Corporation is registered with the SEC as an investment advisor.	
Form ADV Part II Item 9	<p><b>Insurance Company</b></p> <p>The Registrant is a related person of Principal Life Insurance Company, an Iowa Corporation, which is licensed as an insurance company in all 50 states and the District of Columbia. Principal Life makes available its personnel and its other resources to the Registrant to enable the Registrant to provide its services to the funds.</p>	
Form ADV Part II Item 9B		
Form ADV Part II Item 9D and 9E	<p><u>Participation or Interest in Client Transactions</u></p> <p>Spectrum Asset Management, Inc., a related person of the Registrant, effects securities transactions as a broker for Principal Fund portfolios for which it serves as sub-adviser. Spectrum completes these transactions in accordance with procedures each fund has adopted pursuant to Rule 17e-1 of the Investment Company Act of 1940. Each fund's board of directors reviews all transactions completed pursuant to these procedures on a quarterly basis to determine whether the compensation each fund pays to Spectrum Asset Management is reasonable and fair compared to compensation other brokers received for transactions in similar securities traded on an exchange during a comparable time period.</p> <p>Principal Global Investors, a related person of the Registrant which also serves as a sub-advisor to some of the Funds, may advise the funds to purchase securities which at the time the fund purchases, one of more related persons of the Registrant may also (1) be purchasing or selling and/or (2) holding. Such situations will be subject to procedures designed to assure fair allocation of available transactions.</p>	
Form ADV Part II Item 12A(3)(4) and 12B	<p><b>Brokerage on Purchases and Sales of Securities</b></p> <p>The Registrant has adopted a Code of Ethics that is compliant with Rule 204-A-1. Related persons of the Registrant who are officers, directors and employees of Registrant may buy</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Principal Management Corporation</b>	SEC File Number: <b>801-8144</b>	Date: <b>06/12/2009</b>
---	-------------------------------------	----------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
	<p>or sell for themselves securities that Registrant also recommends to its client, so long as Registrant's officers, directors and employees undertake those purchases and sales in accordance with the Registrant's code of ethics.</p> <p>The Code of Ethics sets out the Registrant's standards of conduct expected of advisory personnel, including compliance with applicable federal securities laws, prompt reporting of any violation of the Code of Ethics to the Chief Compliance Officer, confidential treatment of non-public client investment information, acknowledging the receipt of the Code of Ethics and any amendments and personal security investment reporting by supervised persons of the Registrant with access to material non-public client investment information. A copy of the Registrant's Code of Ethics will be provided to clients or prospective clients upon request.</p> <p>The Registrant has discretion to determine in which portfolios to invest in connection with the advisory services it provides to the "LifeTime" portfolios of Principal Funds (which invest in Institutional Class shares of Principal Funds) and the LifeTime Accounts of Principal Variable Contracts Funds (which invest in Class I shares of Principal Variable Contracts Funds or Institutional Class shares of Principal Funds). The Registrant also has discretion over which securities are to be bought or sold, the amount of such securities, the broker or dealer to be used and the commission rates to be paid for securities transactions in connection with the advisory services it provides to some of its Principal Fund clients. Sub-Advisors, including affiliated firms, for each portfolio have investment discretion over the portfolios each sub-advises.</p> <p>In distributing brokerage business arising out of the placement of orders for the purchase and sale of securities for any Fund, the objective of the Registrant and is to obtain the best overall terms. In pursuing this objective, the Registrant considers all matters it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and executing capability of the broker or dealer and the reasonableness of the commission, if any (for the specific transaction and on a continuing basis). This may mean in some instances that the Registrant will pay a broker commissions that are in excess of the amount of commission another broker might have charged for executing the same transaction when the Registrant believes that such commissions are reasonable in light of (a) the size and difficulty of transactions, (b) the quality of the execution provided, and (c) the level of commissions paid relative to commissions paid by other institutional investors. (Such factors are viewed both in terms of that particular transaction and in terms of all transactions that broker executes for accounts over which the Registrant exercises investment discretion. The Registrant may purchase securities in the over-the-counter market, utilizing the services of principal market makers, unless better terms can be obtained by purchases through brokers or dealers, and may purchase securities listed on the New York Stock Exchange from non-Exchange members in transactions off the Exchange.) The Registrant gives consideration in the allocation of business to services performed by a broker (e.g. the furnishing of statistical data and research generally consisting of information of the following types: analyses and reports concerning issuers, industries, economic factors and trends, portfolio strategy and performance of client accounts). If any such allocation is made, the primary criteria used will be to obtain the best overall terms for such transactions. The Registrant may pay additional commission amounts for research services. Such statistical data and research information received from brokers or dealers may be useful in varying degrees and the Registrant may use it in servicing some or all of the accounts it manages. Some statistical data and research information may not be useful to the Registrant in managing the client account, brokerage</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Principal Management Corporation</b>	801-8144	06/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Principal Management Corporation</b>		IRS Empl. Ident. No.: <b>42-0948302</b>
Item of Form (identify)	Answer	
	<p>for which resulted in the Registrant's receipt of the statistical data and research information. However, in the Registrant's opinion, the value thereof is not determinable and it is not expected that the Registrant's expenses will be significantly reduced since the receipt of such statistical data and research information is only supplementary to the Registrant's own research efforts.</p> <p>Purchases and sales of debt securities and money market instruments by the Registrant usually will be principal transactions; portfolio securities will normally be purchased directly from the issuer or from an underwriter or market-maker for the securities. Such transactions are usually conducted on a net basis with the Fund paying no brokerage commissions. Purchases from underwriters will include a commission or concession paid by the issuer to the underwriter, and the purchases from dealers serving as market-makers will include the spread between the bid and asked prices.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).