



PRINCOR FINANCIAL SERVICES CORPORATION

650 8th Street
Des Moines, IA 50392

888-774-6267

March 2011

This wrap fee program brochure "Brochure" provides information about the qualifications and business practices of Princor Financial Services Corporation ("Princor"). If you have any questions about the contents of this Brochure, please contact us at 888-774-6267. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Princor is a registered investment adviser. While registration is required under the law, registration of an investment adviser or a broker-dealer does not imply any specific level of skill or training.

Additional information about Princor also is available on the SEC's website at www.adviserinfo.sec.gov and on FINRA's website at www.finra.org/brokercheck.

Securities, advisory products, and brokerage services are offered through Princor Financial Services Corporation, Member SIPC.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, it is materially different in structure and requires certain new information that our previous Brochure did not require.

In the future, this Item (Material Changes) will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Our fiscal year-end is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested free of charge by contacting Princor at 888-774-6267.

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Item 4 – Services, Fees and Compensation

Services

Princor is federally registered with the SEC as an investment adviser and is a member broker-dealer with the Financial Industry Regulatory Authority (“FINRA”). Princor is registered or licensed to conduct business in all fifty states and the District of Columbia.

Princor began its operation in 1968, and is headquartered in Des Moines, Iowa. Princor is a member company of the Principal Financial Group, a family of financial services companies offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement and investment services, life and health insurance, and banking through its diverse family of financial services companies.

The service that is described in this Brochure is Principal Advisory Select Portfolios (referred to herein as “Advisory Select” or the “Advisory Select Program”). The Advisory Select Program is subject to risks associated with investing in securities and the investments in the asset allocation models will not always be profitable. Princor does not guarantee the results of any advice or recommendations, nor does it guarantee that the investment objectives of advisory clients utilizing the Advisory Select Program will be met.

Advisory Select is an investment advisory program with the objective of assisting clients in developing and maintaining a strategic asset allocation strategy that is appropriate to their investment objectives, financial situation, and investment risk tolerance. The Advisory Select Program permits the client to invest in a broad array of Eligible Investments (as defined in Item 5) and is a non-discretionary investment advisory program. A client obtains the following services in connection with the Advisory Select Program:

Services - Investment Questionnaire and Asset Allocation Modeling

An investment adviser representative of Princor (hereafter the “Financial Advisor”) will assist prospective clients in a review of their investment objectives, investing time horizon, financial situation and investment risk tolerance. The Financial Advisor will also assist the prospective client in completing an investment questionnaire. Based on the answers provided in the investment questionnaire, the Financial Advisor will recommend one of a number of asset allocation models. The asset allocation models consist of three core equity and two fixed income asset classes and suggested asset class percentage allocations for each (hereafter, the “Asset Class Mix”) that are prepared and annually updated by Ibbotson Associates, Inc. (hereafter, “Ibbotson”), an independent investment research firm.

Services - Investments

After choosing an asset allocation model, the prospective client will choose, with the assistance of his or her Financial Advisor, the Eligible Investments the client wishes to purchase or transfer in kind to the client’s Advisory Select account (hereafter, the “Program Account”). Unless requested otherwise by the prospective client, the Financial Advisor will recommend Eligible Investments that correspond to the Asset Class Mix of the asset allocation model chosen by the

client. Advisory Select is not a discretionary advice program. Prncor does not have the discretion to affect transactions in a Program Account without first obtaining a client's consent. All decisions to purchase, sell, or transfer Eligible Investments to or from the Program Account shall be made solely by the client. The Financial Advisor is available to the client at any time to provide consultation on buying, selling and reinvesting Eligible Investments in the Program Account consistent with the client's investment objectives.

Prncor and its Financial Advisors may provide different investment or asset allocation modeling recommendations to one client in the Advisory Select Program from that given to another client. The Advisory Select Program does not give investment advice as to assets that the client has chosen not to hold in the Program Account.

Services to Trusts

Prncor has entered into an arrangement whereby Financial Advisors may refer clients in need of services by a corporate trustee to Principal Trust Company (hereafter, "Principal Trust"), an affiliated trust company based in Wilmington, Delaware. If authorized under the trust agreement, Principal Trust may utilize the Advisory Select Program and retain the investment advisory services of a Financial Advisor to make investment recommendations for the trust. In these discretionary trusts, Principal Trust will be the Advisory Select client and will have the ultimate responsibility for determining the investment policy and investment selection. Beneficiaries of trusts administered by Principal Trust as trustee or co-trustee that use the Advisory Select Program as an investment vehicle will receive quarterly statements on the trust from Principal Trust showing assets and activity. Principal Trust Company is the trade name of Delaware Charter Guarantee & Trust Company. More detailed information about Principal Trust's services and fees can be found in materials issued by Principal Trust.

Advisory Select Program Fees

The value of the Program Account determines the amount a client is charged. The Advisory Select fee (hereafter the "Program Fee") is due and payable quarterly in advance and is based on the value of the Program Account assets as of the close of business on the last business day of the preceding quarter according to the following schedule:

Account Value	Fee*
\$0 – \$250,000	2.00% – 1.00%
>\$250,000 – \$500,000	1.75% – 0.75%
>\$500,000 – \$1,000,000	1.50% – 0.50%
>\$1,000,000 – \$3,000,000	1.25% – 0.50%
>\$3,000,000 – \$6,000,000	1.00% – 0.50%
>\$6,000,000	1.00% – 0.40%

*Minimum and maximum fee range expressed as annual percentage of account value

In the first three-month period beginning with the date in which the Program Account is opened (the "inception quarter"), the first payment will be assessed on a pro-rata basis to reflect the number of days in the inception quarter that the assets are to be in the Program Account. The amount will be based on the initial amount deposited. Each of the account value ranges ("asset

level tiers”) on the fee schedule are subject to a corresponding fee percentage range. The client and the Financial Advisor agree on a percentage fee for each asset level tier. That fee is applied to the asset valuations corresponding to that asset level tier. The amount charged to the client is computed by multiplying the actual account values that fall into the corresponding asset level tiers by their separate fee percentages, and if the account values fall into more than one asset level tier, by then adding the corresponding fees together.

The fees for each asset level tier can, but not necessarily, be subject to reduction as the level of assets in a Program Account increase.

The Program Fee covers all advisory services described above, as well as custody and brokerage services. The Program Fee does not cover certain fees charged by third parties, such as (i) management fees and expenses charged by mutual funds distributed or advised by affiliates of Princor "Proprietary Funds", mutual funds or closed-end investment companies not distributed or advised by affiliates of Princor "Non-Proprietary Funds" and Exchange-Traded Funds (ETFs) that may be held in a Program Account; (ii) odd-lot differentials, American Depositary Receipt fees and exchange fees, transfer fees and other fees imposed by law; (iii) redemption fees imposed by certain Proprietary or Non-Proprietary Funds; and (iv) any contingent deferred sales charge assessed on the sale or liquidation of Proprietary or Non-Proprietary Fund shares, where applicable. In addition, it does not cover certain services available upon request from Princor, including periodic distribution fees, electronic funds and wire transfer fees, certificate delivery fees, and reorganization fees; and any check reordering cost and fees, where applicable. The Program Fee is negotiable within the minimum and maximum fee range expressed and as a result clients with similar assets may have differing fee schedules. Princor may discount the Program Fee below the minimum fee ranges to customers meeting certain criteria, such as having existing insurance, banking, or investment relationships with Princor or its affiliates, or having an immediate family member who is a Financial Advisor. Princor will also discount its Program Fees below the minimum fee levels for competitive reasons or in other situations upon a prospective customer, or client's request.

In the event of termination of a Program Account, unearned fees are refunded to the client by Princor on a pro-rata basis; however, due to the administrative costs of establishing Program Accounts in the Advisory Select Program, an early account closing fee of \$500.00 will be applied to Program Accounts terminated within the first 12 months following the date the Program Account was opened.

Clients who participate in the Advisory Select Program may pay more or less than would be the case if they were to purchase separately each of the services the Advisory Select Program permits. If a client were to purchase the Eligible Investments available through the Advisory Select Program directly from the fund companies, or from other securities broker-dealers, the client would not pay a Program Fee and the purchase may be less expensive. Comparable programs or services may be available from Princor or from other sources for fees lower than those in the Advisory Select Program. Other investment firms may offer to the public other investment products such as mutual funds with asset allocation models similar to those found in

Advisory Select. Those programs may have differing fees and charges that may be higher or lower than the Program Fee.

The amount of the fees received by Princor and the Financial Advisors may be greater if a client participates in an asset-based fee arrangement, such as the Advisory Select Program, instead of paying separately for brokerage commissions and receiving incidental investment advice from the Financial Advisors. Generally, the lower the number of transactions in a Program Account, the more expensive the Advisory Select Program becomes when compared to accounts where only commissions are charged to the clients. Factors in addition to the number of transactions that bear upon the relative cost of the Advisory Select Program in relation to the cost of the services purchased separately include the size of the account, the number and type of investments making up the portfolio, and the frequency of rebalancing the Program Account. As a result, Princor and the Financial Advisor may have a financial incentive to recommend certain fee-paying alternatives such as an asset-based fee over another alternative (brokerage commissions) or one type of account over another type of account.

The Program Fee that is paid by the client for participation in the Advisory Select Program is in addition to the underlying management fees and expenses of the Proprietary Funds, Non-Proprietary Funds, and ETFs, which often are standard expenses that all investors purchasing these assets pay on a continuing basis. These management fees and other expenses decrease potential Program Account positive returns and increase potential negative returns.

Compensation

Princor pays a portion of the Program Fee received from the client to Ibbotson to compensate it for ongoing asset allocation modeling and updates, to Lockwood Advisors, LLC for ongoing account administration services and to the Financial Advisor for their services rendered in connection with the Program Account.

Item 5 – Account Requirements and Types of Clients

Account Requirements

To participate in the Advisory Select Program, a client must establish a brokerage account with Princor. Princor's clearing firm is Pershing, LLC (hereafter, "Pershing"). Pershing provides both custodial and clearing services for the Program Account. Upon a client's request for withdrawal or transfer of client funds or securities invested within the Program, Princor is deemed to have custody of those funds or securities in order to authenticate the client's request and enter the instructions into Pershing's system for processing. All dividends and other distributions from Program Account assets will be managed in accordance with instructions given on the account opening forms.

Certain restrictions apply to assets allowed in Program Accounts. "Eligible Investments" as used in this Brochure means (a) domestic equity securities consisting of registered common stock and

convertible preferred stock traded on U.S. national exchanges and American Depositary Receipts; (b) load waived shares (or shares not offered with a sales load) of Proprietary Funds; (c) shares of mutual funds or closed-end investment companies of Non-Proprietary Funds; (d) certain unit investment trusts and exchange traded funds (“ETFs”); (e) fixed-income securities consisting of U.S. Treasury and federal agency securities, investment grade corporate bonds, commercial paper, investment grade municipal bonds, registered preferred stock traded on U.S. national exchanges, and mortgage-backed securities; and (f) cash and certain cash equivalents, including certificates of deposit and money market fund shares.

Generally, no other types of assets will be permitted in a Program Account. The following are examples of assets that will generally not be accepted: (a) securities with legal, contractual, or other restrictions on sales, including but not limited to, private placements or company stock owned by insiders; (b) illiquid securities (such as shares of unlisted Real Estate Investment Trusts and interests in limited partnerships or other direct participation programs); (c) common stock or individual bonds, debentures or other debt obligations issued by Principal Financial Group, Inc. or other affiliated companies of Princor; (d) Proprietary and Non-Proprietary mutual funds that have a back-end sales charge; (e) equity securities valued at less than \$5.00 per share regardless of inclusion in the S&P 500 or Russell 1000 indices; (f) nondollar-denominated securities, (g) warrants or options (puts and calls); (h) derivatives, such as futures or forward contracts, or (i) securities held in margin accounts.

There are more than 150 mutual fund families available to a client through Advisory Select. The mutual funds available are either no-load or may be purchased through the Advisory Select Program at net asset value and without sales charges. Princor conducts a review of mutual funds by Asset Class to assist Financial Advisors in recommending investments to populate the asset allocation model chosen by individual clients. Results are provided quarterly to the Financial Advisors. The information is designed to assist the Financial Advisor in recommending which Proprietary Funds and Non-Proprietary Funds are purchased or sold into the Program Account. The fact that a mutual fund family is the subject of ongoing review by Princor is not, in itself, a recommendation of the fund family or any particular fund. Princor will permit certain individual stocks, convertible securities, American Depositary Receipts, and bonds to be transferred in or purchased by the client into Program Accounts but these assets are not subject to ongoing research, due diligence or review by Princor. Consequently, the Financial Advisors must use third-party research, the quality of which is not known by Princor. Program Accounts containing these assets may be more volatile.

Clients should be aware that combining different securities across industry and geographical sectors (diversifying) can help reduce the overall risk of their portfolios. Clients can also diversify through the purchase of mutual funds.

The minimum initial investment is generally \$50,000 for an Advisory Select Program Account. Additional Program Accounts opened by a client or members of the client's household must also meet the \$50,000 per account minimum. Prncor reserves the right to close a Program Account if its balance falls below a certain level. Prncor also reserves the right to terminate its services if it believes the rendering of its investment advisory services is no longer appropriate for a client.

Types of Clients

Prncor offers the Advisory Select Program to individuals, businesses, trusts and certain pension and profit sharing plans.

Item 6 – Portfolio Manager Selection and Evaluation

This Item is not applicable to the Advisory Select Program.

Item 7 – Client Information Provided to Portfolio Managers

This Item is not applicable to the Advisory Select Program.

Item 8 – Client Contact with Portfolio Managers

This Item is not applicable to the Advisory Select Program.

Item 9 – Additional Information

Disciplinary Information

May 4, 2009 - Regulatory Action initiated by the State of Missouri Office of the Secretary of State – Missouri Securities Division:

Based on an investigation conducted by the Missouri Securities Division, the Division believed that Prncor failed to reasonably supervise the unauthorized outside business activity of a registered representative who used to be affiliated with Prncor. Prncor entered into a consent order with the Missouri Secretary of State/Missouri Securities Division, without admitting or denying the allegations. Pursuant to the consent order, Prncor has paid \$146,050 to the Missouri Secretary of State's Investor Restitution Fund, \$75,000 to the Missouri Secretary of State's Investor Education and Protection Fund, and \$5,650 to the Missouri Secretary of State's Investor Education and Protection Fund as costs of the investigation.

Other Financial Industry Activities

Princor's principal business is that of a securities broker-dealer. Princor personnel spend on average in excess of 90% of their time on securities brokerage or mutual fund activities. Princor engages primarily in the sale of mutual funds, variable annuity, and variable life insurance contracts, but also markets unit investment trusts, direct participation programs, and general securities (as an introducing broker to its clearing firm, Pershing, on a fully disclosed basis).

Other Financial Industry Affiliations

Principal Funds Distributor, Inc., is the principal underwriter for an investment company (Principal Funds, Inc.). Shares of Principal Funds, Inc. may be sold in connection with Princor's advisory products and pose certain conflicts of interest. Those conflicts dealing with Proprietary Funds are disclosed below. Princor is affiliated with Principal Funds Distributor, Inc., Principal Life Insurance Company, Principal Trust and all four are subsidiaries of Principal Financial Services, Inc. Princor serves as distributor for the variable life and variable annuity contracts issued by Principal Life Insurance Company. Please see the Adviser Representative's Form ADV Part 2B for additional details regarding their role as Broker-Dealer Representatives when selling securities products of affiliates.

Code of Ethics

Princor has implemented a Code of Ethics ("Code") pursuant to SEC Rule 204A-1. A complete copy of the Code is available upon request. The purpose of this Code is to prevent conflicts of interest that may exist, or appear to exist, and to prevent any violations of applicable laws when covered Officers, Directors, employees and Adviser Representatives of Princor ("Covered Persons") own or engage in transactions involving securities. Central aspects of the Code include: the requirement that all personal security transactions be conducted in such a manner as to avoid any actual or potential conflict of interest or abuse of an individual's position of trust and responsibility; fiduciary principles that include the requirement to place the interests of Advisory Clients first and maintain in confidence information concerning the security holdings of those customers, and the duty of Covered Persons to comply with applicable federal and state securities laws, including the prohibitions against insider trading and market manipulation. Each Covered Person is provided with a copy of the Code and any amendment, and must certify that they have read and will comply with the Code including any amendments.

In general, the Princor Code also requires Covered Persons to disclose all accounts in which they will have beneficial ownership in certain reportable securities. When a person becomes a Covered Person or prior to being released as an Adviser Representative, those persons must furnish a copy of an initial holding report on any such accounts and reportable securities. A copy of an account statement issued by the firm where the account is maintained can satisfy this requirement. Covered Persons must also furnish copies of quarterly transaction reports and annual holding reports on reportable securities. Copies of quarterly and annual statements issued by the firm where the account is maintained can satisfy this requirement. These records are then reviewed as appropriate.

Participation or Interest in Client Transactions

Princor in its capacity as a registered investment adviser will not enter into any principal or “agency cross” transactions with Advisory Select Program clients.

Clients may enter into agency transactions with Princor in its capacity as securities broker-dealer and, in such role, Princor may offer variable life, variable annuities, mutual funds, stocks, bonds, and other securities to Advisory Select clients and will charge these clients commissions on the sales of these products. Certain affiliates of Princor have a financial interest in client transactions with respect to the Proprietary Funds if they are purchased by a client in an Advisory Select Program Account. These proprietary funds are managed and sub-advised by affiliates of Princor. The Proprietary Funds pay investment management fees to these affiliates. Although Princor does not directly receive these payments, Princor has a potential conflict of interest between its duty to act in the best interest of its clients and any interest it may have in generating advisory fees for its affiliates by including the Proprietary Funds in the Advisory Select Program. Proprietary and Non-Proprietary Funds eligible to be purchased in the Advisory Select Program may offer additional compensation to Princor or the Financial Advisor in the form of distribution and shareholder servicing fees. Please review Item 9 – Other Compensation for more information.

Personal Trading

See Item 9, the "Code of Ethics", explaining the requirements to prevent any violations of applicable laws when Covered Persons own or engage in transactions involving securities.

Review of Accounts

Financial Advisors are responsible for ongoing review of their clients' Advisory Select Program Accounts and are subject to branch office supervision.

Annual Program Account Reviews

The Financial Advisor will meet with clients at least annually to review the Program Account performance, the Eligible Investments in the Program Account and if necessary may suggest changing the Asset Class Mix due to updated information from Ibbotson regarding the asset allocation model chosen by the client. In addition, the client's Financial Advisor will request information regarding whether there has been any change in the client's ongoing investment objectives, risk tolerance, planned investment time horizon, financial goals, and whether the client wishes to impose any reasonable restrictions on the investments contained in the Program Account.

The Advisory Select Program is a strategic asset allocation program. Clients should consider carefully whether to rebalance the Program Account portfolio at least annually to match Ibbotson's Asset Class Mix that corresponds to the asset allocation model the client has chosen. Princor encourages clients in the Advisory Select Program to rebalance; however, Princor undertakes no obligation to rebalance the Program Account. Rebalancing may cause tax consequences in a non-qualified Program Account.

Regular Reports

Quarterly performance reports are made available to the client. These are produced by Lockwood Advisors, Inc., which is an affiliate of Pershing, LLC. These performance reports are intended to inform clients as to how their Program Account has performed for the reporting period. Princor provides clients with Program Account statements no less frequently than quarterly and with prompt confirmations of securities whenever transactions are executed in the Program Account.

Client Referrals

Princor does not compensate any affiliated or unaffiliated person for Advisory Select Program client referrals.

Other Compensation - Proprietary Funds and Conflicts of Interest

Certain conflicts of interest arise in connection with Proprietary Funds that are permitted into Advisory Select Program Accounts. All Proprietary Funds that are available through the Advisory Select Program pay certain expenses to affiliates of Princor for fund transfer agent and administration services. In addition, some of the Proprietary Funds available through the Advisory Select Program are managed by investment advisor affiliates of Princor and those Proprietary Funds pay investment management fees to Princor's affiliates. Although Princor does not directly receive these payments, Princor has a potential conflict of interest when recommending that Proprietary Funds be purchased in or transferred to an Advisory Select Program Account. However, Princor will not recommend nor permit Proprietary Funds to be purchased by or transferred to a Program Account opened by or on behalf of a trust described in Internal Revenue Code of 1986, as amended ("Code") § 401(a) which forms part of a plan, or a plan described in Code § 403, which trust or plan is exempt from tax under Code § 501(a); an individual retirement account described in Code § 408(a); an individual retirement annuity described in Code § 408(b); an Archer Medical Savings Account described in Code § 330(d); a health savings account described in Code § 223(d); or, a Coverdale savings account described in Code § 530 ("Qualified Program Account").

To mitigate against this potential conflict of interest with respect to Program Accounts that are not considered Qualified Program Accounts ("Non-Qualified Program Accounts"), Princor's investment guidelines require that any Proprietary Fund purchased in a Non-Qualified Program Account be the share class with the lowest expense structure available for that fund. Currently the Proprietary Fund share class with the lowest expense structure is the Institutional share class of Principal Funds, Inc. However, some Proprietary Funds do not have an Institutional share class available, and as such, some Proprietary Funds in a Non-Qualified Program Account may not carry the lowest expense structure.

In addition, certain share classes of Proprietary Funds that may be transferred to a Non-Qualified Program Account pay certain service fees to Princor, including, but not limited to, those paid pursuant to distribution and shareholder servicing plans adopted by the Proprietary Funds under Rule 12b-1 of the Investment Company Act of 1940. These are separate from and in addition to the investment management fees and other expenses. These service fees decrease potential Program Account positive returns and increase potential negative returns. These service fees are in addition to the Program Fee paid by the client. Princor intends to retain these payments to the

extent they arise as a result of Proprietary Funds held in a Non-Qualified Program Account, except for situations involving mutual fund sales in non-qualified Advisory Select Program Accounts that were opened by transfers from Principal Passage fee-based brokerage accounts. In these limited situations, Princor passes on 12b-1 fees to the Financial Advisor. As a result, Princor and the Financial Advisor have a conflict of interest in recommending a Proprietary Fund in which these fees are payable. To mitigate this conflict of interest, Princor's investment guidelines require that any Proprietary Fund purchased in a Non-Qualified Program Account be a share class that, when available for the fund, does not pay these distribution and shareholder servicing fees to Princor, currently the Institutional share class of Principal Funds Inc. Some Proprietary Funds do not have an Institutional share class available. Therefore, some share classes of Proprietary Funds that pay such fees will be permitted to be transferred from other accounts or purchased in the Non-Qualified Program Accounts. Unless such shares are exchanged for another share class, Princor will continue to receive these fees. By signing the client agreement for Advisory Select, the client acknowledges this potential conflict and consents to the use of the Proprietary Funds in the Non-Qualified Program Account and the resulting payment of any distribution and shareholder servicing fees to Princor.

Other Compensation – Non-Proprietary Funds and Conflicts of Interest

Princor is not affiliated with the mutual fund companies that sponsor the Non-Proprietary Funds. However, certain conflicts of interest arise in connection with certain Non-Proprietary Funds that are permitted into Advisory Select Program Accounts. Some Non-Proprietary Funds that may be recommended for purchase in or transfer to the Program Account pay distribution and shareholder servicing fees to Princor. These are separate from and in addition to the investment management fees and other expenses that all investors purchasing these securities pay. These charges decrease potential Program Account positive returns and increase potential negative returns. These service fees are in addition to the Program Fee paid by the client to participate in the Advisory Select Program. Princor intends to retain these payments to the extent they arise as a result of Non-Proprietary Funds held in Non-Qualified Program Accounts, except for situations involving mutual fund sales in non-qualified Advisory Select Program Accounts that were opened by transfers from Principal Passage fee-based brokerage accounts. In these limited situations, Princor passes on 12b-1 fees to the Financial Advisor. As a result, Princor and the Financial Advisor have a conflict of interest in recommending Non-Proprietary Funds in which these fees are to be payable. To mitigate the possibility of a Financial Advisor recommending certain funds on the basis that they pay these distribution and shareholder servicing fees, Princor's compensation to the Financial Advisor for his or her services with Advisory Select Program Accounts does not vary based on whether or not distribution and shareholder servicing fees are actually received by Princor. By signing the client agreement for Advisory Select, the client acknowledges this potential conflict and consents to the use of these Non-Proprietary Funds in the Non-Qualified Program Account and the resulting payment of any distribution and shareholder servicing fees to Princor. All distribution and shareholder servicing fees received from the Non-Proprietary Funds held in Qualified Program Accounts will be credited to the Program Account.

Financial Information

Princor has no financial issues that would be reasonably likely to impair its ability to meet contractual commitments to clients. Princor has not been the subject of a bankruptcy proceeding.

Trade Error Correction Procedures

In the event of a trade error correction, Princor has specific procedures designed to correct any trade error as promptly as possible. Princor's policy is to rectify the trade error caused by us or our affiliates by adjusting the client's Program Account as it would have been had no error occurred. For trades where Princor is at fault or where no fault can be determined, Princor will absorb any losses or gains resulting from that error. If it is determined that the client is at fault, Princor may use its discretion to pass along any losses to the client and Princor will keep any gains resulting from the trade error.

Proxy Voting

As a matter of firm policy and practice, Princor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

This Notice is provided on behalf of the following companies of the Principal Financial Group:

Principal Life Insurance Company
Principal National Life Insurance Company
Princor Financial Services Corporation
Principal Funds, Inc. / Principal Funds Distributor, Inc.
Principal Variable Contracts Funds, Inc.
Principal Life Insurance Company Variable Life Separate Account
Principal Life Insurance Company Separate Account B
Principal Global Investors, LLC
Principal Global Investors Trust
Principal Real Estate Investors, LLC
Principal Commercial Acceptance, LLC
Principal Commercial Funding, LLC
Principal Green Fund I, LP / PGF GP, LLC
Principal Trust Company
Spectrum Asset Management, Inc.
Employers Dental Services, Inc. / Principal Dental Services, Inc.
JF Molloy & Associates, Inc. / Principal Wellness Company

PROTECTING YOUR PRIVACY

This Notice is required by law. It tells how we handle personal information.

This Notice applies to:

- people who own or apply for our products or services for personal use.
- employee benefit plan participants and beneficiaries.

Please note that in this Notice, “you” refers to only these people. The Notice does not apply to an employer plan sponsor or group policyholder.

WE PROTECT INFORMATION WE COLLECT ABOUT YOU

We follow strict standards to safeguard personal information. These standards include limiting access to data and regularly testing our security technology.

HOW WE COLLECT INFORMATION

We collect data about you as we do business with you. Some of the sources of this data are as follows:

- **Information we obtain when you apply or enroll for products or services.** You may provide facts such as your name; address; Social Security number; financial status; and, when applicable, health history.
- **Information we obtain from others.** This may include claim reports, medical records, when applicable, credit reports, property values and similar data.
- **Information we obtain through our transactions and experience with you.** This includes your claims history, payment and investment records, and account values and balances.
- **Information we obtain through the Internet.** This includes data from online forms you complete. It also includes data we collect when you visit our websites.

HOW WE SHARE INFORMATION

Within the Principal Financial Group

We may share personal information about you or about former customers, plan participants or beneficiaries within the Principal Financial Group for several reasons, including:

- to assist us in providing service;
- to help design and improve products; or
- with your consent, at your request or as allowed by law.

With Others

In the course of doing business we may share data with others. This could include personal information about you or about former customers, plan participants or beneficiaries. Personal information may be shared with others for the following reasons:

- in response to a subpoena,
- to prevent fraud,
- to comply with inquiries from government agencies or other regulators, or
- for other legal purposes.

We also may share personal information:

- with others that service your accounts, or that perform services on our behalf;
- with others with whom we may have joint marketing agreements. These include financial services companies (such as other insurance companies, banks or mutual fund companies); and
- with other companies with your consent, at your request or as allowed by law.

MEDICAL INFORMATION

We do not share medical information among companies of the Principal Financial Group or with others except:

- when needed to service your policies, accounts, claims or contracts;
- when laws protecting your privacy permit it; or
- when you consent.

ACCURACY OF INFORMATION

We strive for accurate records. Please tell us if you receive any incorrect materials from us. We will make the appropriate changes.

COMPANIES WITHIN THE PRINCIPAL FINANCIAL GROUP

Several companies within the Principal Financial Group are listed at the top of this Notice. The companies of the Principal Financial Group are leading providers of retirement savings, investment, and insurance products.

MORE INFORMATION

You may write to us if you have questions about our Privacy Notice. Contact our Privacy Officer at P.O. Box 14582, Des Moines, Iowa 50306-3582.

Receipt of this notice does not mean your application has been accepted.

We may change our privacy practices at times. We will give you a revised notice when required by law.

Our privacy practices comply with all applicable laws. If a state's privacy laws are more restrictive than those stated in this Notice, we comply with those laws.

Your agent, broker, registered representative, consultant or advisor may have a different privacy policy.

1-800-986-3343





CALIFORNIA PRIVACY NOTICE

This Notice is provided on behalf of the following companies of the Principal Financial Group:

Principal Life Insurance Company
Principal National Life Insurance Company
Princor Financial Services Corporation
Principal Funds, Inc. / Principal Funds Distributor, Inc.
Principal Variable Contracts Funds, Inc.
Principal Life Insurance Company Variable Life Separate Account
Principal Life Insurance Company Separate Account B
Principal Global Investors, LLC
Principal Global Investors Trust
Principal Real Estate Investors, LLC
Principal Commercial Acceptance, LLC
Principal Commercial Funding, LLC
Principal Green Fund I, LP / PGF GP, LLC
Principal Trust Company
Spectrum Asset Management, Inc.
Employers Dental Services, Inc. / Principal Dental Services, Inc.
JF Molloy & Associates, Inc. / Principal Wellness Company

PROTECTING YOUR PRIVACY

This Notice is required by law. It tells how we handle personal information.

This Notice applies to individual residents of California who:

- own or apply for our products or services for personal use.
- are employee benefit plan participants and beneficiaries.

Please note that in this Notice, "you" refers to only these people. The Notice does not apply to an employer plan sponsor or group policyholder.

WE PROTECT INFORMATION WE COLLECT ABOUT YOU

We follow strict standards to protect personal information. These standards include limiting access to data and regularly testing our security technology.

HOW WE COLLECT INFORMATION

We collect data about you as we do business with you. Some of the sources of this data are as follows:

- **Information we obtain when you apply or enroll for products or services.** You may provide facts such as your name; address; Social Security number; financial status; and, when applicable, health history.
- **Information we obtain from others.** This may include claim reports, medical records, credit reports and similar data.
- **Information we obtain through our transactions and experience with you.** This includes your claims history, payment and investment records, and account values.
- **Information we obtain through the Internet.** This includes data from online forms you complete. It also includes data we receive when you visit our website.

HOW WE SHARE INFORMATION

We may share personal information about you or about former customers, plan participants or beneficiaries among companies within the Principal Financial Group or with others for several reasons, including:

- to assist us in servicing your account;
- to protect against potential identity theft or unauthorized transactions;
- to comply with inquiries from government agencies or other regulators, or for other legal purposes;
- with your consent, at your request or as allowed by law.

MEDICAL INFORMATION

We do not share medical information among companies of the Principal Financial Group or with others except:

- when needed to service your policies, accounts, claims or contracts;
- when laws protecting your privacy permit it; or
- when you consent.

ACCURACY OF INFORMATION

We strive for accurate records. Please tell us if you receive any incorrect materials from us. We will make the appropriate changes.

COMPANIES WITHIN THE PRINCIPAL FINANCIAL GROUP

Several companies within the Principal Financial Group are listed at the top of this Notice. The companies of the Principal Financial Group are leading providers of retirement savings, investment, and insurance products.

MORE INFORMATION

You may write to us if you have questions about our Privacy Notice. Contact our Privacy Officer at P.O. Box 14582, Des Moines, Iowa 50306-3582.

Receipt of this notice does not mean your application has been accepted.

We may change our privacy practices at times. We will give you a revised notice when required by law.

Our privacy practices comply with all applicable laws.

Your agent, broker, registered representative, consultant or advisor may have a different privacy policy.

1-800-986-3343

