ORDER UNDER SECTION 6(c) OF THE INVESTMENT COMPANY ACT OF 1940
GRANTING EXEMPTIONS FROM THE PROVISIONS OF SECTIONS 9(a), 13(a),
15(a) AND 15(b) OF THE ACT, AND RULES 6e-2(b)(15) AND 6e-3(T)(b)(15)
THEREUNDER

Principal Variable Contracts Fund, Inc. (the “Fund”) and Principal Management
Corporation (the “Adviser”) (collectively, “Applicants”) filed an application on October
31, 2006, and filed an amended application on June 18, 2007, for an order under Section
6(c) of the Investment Company Act of 1940 (“Act”), granting exemptions from the
provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e-2(b)(15) and
6e-3(T)(b)(15), to the extent necessary to permit shares of the Fund and shares of any
investment company that is designed to fund insurance products and for which the
Adviser or any of its affiliates, may serve in the future as investment adviser, investment
manager, subadviser, administrator, principal underwriter or sponsor (“Future Funds”)
(the Fund, together with Future Funds, “Insurance Funds”) to be sold to and held by: (a)
separate accounts funding variable annuity contracts and variable life insurance policies
issued by both affiliated life insurance companies and unaffiliated life insurance
companies; (b) trustees of qualified group pension and group retirement plans outside of
the separate account context; (c) separate accounts that are not registered as investment
companies under Section 3(c) of the 1940 Act; (d) the Adviser or any successor in
interest to the Adviser for the purpose of providing seed capital to Insurance Funds; and
(e) any other account of a Participating Insurance Company (“General Account”).

A notice of the filing of the application was issued on June 18, 2007 (Investment
Company Act Release No. 27852). The notice gave interested persons an opportunity to
request a hearing and stated that an order disposing of the matter would be issued unless a
hearing should be ordered. No request for a hearing has been received, and the
Commission has not ordered a hearing.
The matter has been considered, and it is found that the granting of the requested exemptions is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly,

IT IS ORDERED, pursuant to Section 6(c) of the Act, that the requested exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, for Principal Variable Contracts Fund, et al. (812-13338) be, and hereby are, granted, effective immediately.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Florence E. Harmon
Deputy Secretary