

4. CONTRIBUTION INFORMATION

Source of Funds:

- Employer Contribution \$ _____
- IRA Contribution \$ _____
- Transfer \$ _____ (please complete the *SEP-IRA Transfer/Direct Rollover Request* form)
- Rollover \$ _____ (please complete the *SEP-IRA Transfer/Direct Rollover Request* form)
- Other (Please state source of funds) _____ \$ _____

Note: *It is the individual's responsibility to maintain sufficient records to establish whether or not a SEP-IRA contribution is tax-deductible. Neither Principal Funds, Principal Shareholder Services, Inc., Principal Life Insurance Company as Custodian, nor their appointed sub transfer agent as its Agent can maintain the records needed for this purpose.*

5. REDUCED SALES CHARGES

Certain individuals, groups, and/or entities, as defined in the current prospectus, may purchase Class A shares at a reduced or eliminated sales charge. Please review the information below and indicate if applicable.

Net Asset Value (NAV) Purchases

- This account is eligible for NAV purchases (no sales charge and no commissions paid) based upon the terms stated in the current prospectus.

Reason: _____

If you are investing \$50,000 or more, your purchases of Class A shares may qualify for a Rights of Accumulation (ROA) discount. Additionally, if you intend to make future purchases totaling \$50,000 or more, you may also be eligible for a reduced sales charge by entering into a Statement of Intent (SOI) agreement. It is the responsibility of the shareholder and the Investment Representative to notify Principal Funds at the time of purchase if the initial sales charge should be reduced or eliminated. Please review the prospectus for detailed information regarding your ROA and SOI options.

Statement of Intent (SOI) for Class A Shares

I/We agree to the terms of the Statement of Intent and provisions for redemption of shares as set forth in the current prospectus. Although I/we am/are not obligated to do so, it is my/our intention to invest over a 13-month period in shares in one or more Portfolios/Funds (excluding initial purchases in Money Market Funds) in an aggregate amount at least equal to the amount indicated below:

- \$50,000 \$100,000 \$250,000 \$500,000 \$1,000,000

Rights of Accumulation (ROA) for Class A Shares

I/We own Class A, B, C, or J shares in other Principal Funds accounts (excluding initial purchases in Class A shares of Money Market Funds) which may entitle this purchase to have a reduced sales charge under the provisions in the current Principal Funds prospectus. My/Our other account numbers, including accounts held by my/our spouse(s), domestic partner(s), children under 25, dependents for whom I/we serve as legal guardian, and trusts created by or primarily for the benefit of such persons, are listed below.

Applicable Account Numbers:

_____	_____
_____	_____
_____	_____
_____	_____

6. TELEPHONE AND INTERNET TRANSACTIONS

Your account is set up so both you and your Investment Representative are able to effect transactions for your account by telephone and/or the Internet. You may decline any of the options by checking the boxes below now or by contacting Principal Funds at a later time.

- I DO NOT want the option for telephone redemptions on my account.
- I DO NOT want the option for telephone or internet exchange on my account.

7. INVESTMENT SELECTION

Minimum initial investment amount for all Portfolios/Funds is \$1,000 with \$100 subsequent investments. **Note: Automatic payroll deduction plans are not subject to the minimum initial investment requirement if they meet the subsequent investment minimums on a monthly basis. Shares purchased by check are subject to a hold of up to 7 calendar days.** Please note that your dividend and capital gains distribution(s) will be automatically reinvested into the same Portfolio/Fund and share class. If you would like to take distributions from your SEP-IRA, please complete an *IRA Distribution Form*.

The Fund will consider initial purchases of \$1 million or more (and subsequent purchases that would result in an investment of \$1 million or more when combined with existing account values, as determined using Rights of Accumulation) into Class C shares as a purchase of Class A shares. Please see the prospectus for more information.

Select Share Class: (If no share class is selected, Class A shares will be purchased.)

Class A (41)

Class C (44)

<u>Category/Fund Name</u>	<u>Amount OR Allocation</u>	<u>Amount OR Allocation</u>
LifeTime Funds		
<input type="checkbox"/> Principal LifeTime 2010 (09)*	\$ _____ %	
<input type="checkbox"/> Principal LifeTime 2020 (16)*	\$ _____ %	
<input type="checkbox"/> Principal LifeTime 2030 (17)*	\$ _____ %	
<input type="checkbox"/> Principal LifeTime 2040 (18)*	\$ _____ %	
<input type="checkbox"/> Principal LifeTime 2050 (19)*	\$ _____ %	
<input type="checkbox"/> Principal LifeTime Strategic Income (23)*	\$ _____ %	
Equity Funds		
<input type="checkbox"/> Capital Appreciation Fund (98)	\$ _____ %	
<input type="checkbox"/> Disciplined LargeCap Blend Fund (92)	\$ _____ %	
<input type="checkbox"/> Diversified International Fund (08)	\$ _____ %	
<input type="checkbox"/> Equity Income Fund (04)	\$ _____ %	
<input type="checkbox"/> Global Real Estate Securities Fund (31)	\$ _____ %	
<input type="checkbox"/> International Emerging Markets Fund (07)	\$ _____ %	
<input type="checkbox"/> International Growth Fund (32)	\$ _____ %	
<input type="checkbox"/> LargeCap Growth Fund (12)	\$ _____ %	
<input type="checkbox"/> LargeCap S&P 500 Index Fund (13)	\$ _____ %	
<input type="checkbox"/> LargeCap Value Fund (14)	\$ _____ %	
<input type="checkbox"/> MidCap Blend Fund (21)	\$ _____ %	
<input type="checkbox"/> Real Estate Securities Fund (87)	\$ _____ %	
<input type="checkbox"/> SmallCap Growth Fund (75)	\$ _____ %	
<input type="checkbox"/> SmallCap Value Fund (91)	\$ _____ %	
<input type="checkbox"/> SmallCap Blend Fund (88)	\$ _____ %	
Strategic Asset Management (SAM) Portfolios		
<input type="checkbox"/> SAM Balanced Portfolio (89)	\$ _____ %	
<input type="checkbox"/> SAM Conservative Balanced Portfolio (90)	\$ _____ %	
<input type="checkbox"/> SAM Conservative Growth Portfolio (93)	\$ _____ %	
<input type="checkbox"/> SAM Flexible Income Portfolio (96)	\$ _____ %	
<input type="checkbox"/> SAM Strategic Growth Portfolio (94)	\$ _____ %	
Fixed-Income Funds		
<input type="checkbox"/> Bond & Mortgage Securities Fund (01)	\$ _____ %	
<input type="checkbox"/> Government & High Quality Bond Fund (97)	\$ _____ %	
<input type="checkbox"/> High Yield Fund (78)	\$ _____ %	
<input type="checkbox"/> Income Fund (79)	\$ _____ %	
<input type="checkbox"/> Inflation Protection Fund (54)	\$ _____ %	
<input type="checkbox"/> Preferred Securities Fund (95)	\$ _____ %	
<input type="checkbox"/> Short-Term Income Fund (84)	\$ _____ %	
Specialty Funds		
<input type="checkbox"/> Diversified Real Asset Fund (33)	\$ _____ %	
<input type="checkbox"/> Global Diversified Income Fund (74)	\$ _____ %	
Money Funds		
<input type="checkbox"/> Money Market Fund (99)*	\$ _____ %	
Other		
<input type="checkbox"/> _____	\$ _____ %	

* Available for direct purchase in share class A only

8. DESIGNATION OF BENEFICIARY(IES)

If neither primary nor contingent status is indicated, the individual(s) or entity(ies) will be deemed my primary beneficiary(ies). If more than one primary/contingent beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the SEP-IRA.

If any primary or contingent beneficiary predeceases me, his or her interest and the interest of his or her heir(s) shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis, unless I have indicated otherwise by checking the "per stirpes" box. A per stirpes beneficiary designation means that the interest of any primary and/or contingent beneficiary who predeceases me will go to his or her heir(s) in equal shares, unless otherwise specified. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated shares of my SEP-IRA. If no beneficiary(ies) survives me, my beneficiary shall be my estate, or if none, the individual(s) who would have inherited my estate had one existed.

Check here for per stirpes beneficiary designation (this designation will apply to all primary and contingent beneficiaries). By selecting this option you are negating the standard per capita beneficiary designation. Additional information may be required from the executor or personal representative of the estate for final distributions.

To name additional beneficiaries, you may complete and attach a new copy of this page.

Choosing beneficiaries and methods of distribution can be very complex and can have significant impacts on various tax situations. We strongly recommend working with a qualified legal or tax advisor when making your selections.

Name of Beneficiary _____	Social Security Number / Taxpayer Identification Number _____	Date of Birth (MM/DD/YYYY) _____
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Relationship: <input type="checkbox"/> Spouse <input type="checkbox"/> Other	_____ % Share

Name of Beneficiary _____	Social Security Number / Taxpayer Identification Number _____	Date of Birth (MM/DD/YYYY) _____
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Relationship: <input type="checkbox"/> Other	_____ % Share

Name of Beneficiary _____	Social Security Number / Taxpayer Identification Number _____	Date of Birth (MM/DD/YYYY) _____
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Relationship: <input type="checkbox"/> Other	_____ % Share

Name of Beneficiary _____	Social Security Number / Taxpayer Identification Number _____	Date of Birth (MM/DD/YYYY) _____
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Relationship: <input type="checkbox"/> Other	_____ % Share

If you reside in a community or marital property state, you and/or your spouse must complete this section. (Complete only if you reside in AZ, CA, ID, LA, NV, NM, TX, WA, WI)

Current Marital Status

- I am not married – I understand that if I become married in the future, I must complete a new *Beneficiary Designation* form.
- I am married – I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must complete the Spousal Consent section below.

Special laws apply to the designation of an IRA beneficiary by a married person residing in a "community property" or "marital property" state. If you are married, reside in one of these states, and have not designated your spouse as your primary beneficiary, your spouse must sign the Spousal Consent stating that you may name someone other than your spouse as beneficiary. **The Spousal Consent must be medallion signature guaranteed.**

Spousal Consent

I am the spouse of the account owner named in Section 2. I acknowledge I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this IRA account, I have been advised to see a tax advisor. I hereby consent to the beneficiary designation(s) indicated in Section 8. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian, Principal Shareholder Services, Inc., or its Agents.

Signature of Spouse _____	Date (MM/DD/YYYY) _____	Medallion Signature Guarantee _____
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9. INVESTMENT REPRESENTATIVE INFORMATION

(This section MUST be completed by your Investment Representative. Incomplete information will cause a delay in processing the investment. If you do not have an Investment Representative, we will refer you to one.)

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

Dealer Number

Branch Number

Investment Representative Number

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

Dealer Name

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

E-mail Address

Investment Representative's Signature

Date

Telephone Number

Extension

10. DISCLOSURES/TAXPAYER CERTIFICATION/ACCOUNT OWNER SIGNATURES (PLEASE READ AND SIGN BELOW)

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. This means that when you open an account, we will ask for your name, legal street address, date of birth, Social Security Number, and/or information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. If we are unable to verify your customer information, we may close your account or take such other steps as we deem appropriate.

Disclosures and Agreement

I hereby establish a Principal Funds SEP-IRA account and appoint Principal Life Insurance Company as Custodian and I acknowledge that Principal Shareholder Services, Inc. and its appointed sub transfer agent, act as Agent for the Custodian. I direct that contributions to my SEP-IRA account be invested as specified by this Application, and if applicable, the *SEP-IRA Transfer/Direct Rollover Request* form. I understand the Disclosure Statement and the Custodial Agreement are parts of this Application, and I agree to their terms.

I am of legal age, have received and read the IRA Disclosure Statement, Custodial Agreement and prospectus, agree to their terms and understand that by signing below:

(a) neither Principal Shareholder Services, Inc. nor Principal Funds is a bank and the Fund shares are not backed or guaranteed by any bank nor federally insured; (b) if I have provided other identification as an alternative to a Social Security Number within Section 2 of the Application, I certify the information provided is currently accurate and valid; (c) I hereby ratify any instructions given on this account and any account into which I exchange relating to items on the Application and agree that neither the Fund, Principal Shareholder Services, Inc., nor their Agents will be liable for any loss, cost or expense for acting upon such instructions (in writing, or by telephone or Internet, if telephone or Internet transactions may be effected for this account) believed by it to be genuine and in accordance with the procedures described in the prospectus; (d) by signing below, I consent to having mailings of prospectuses and other fund materials for my account combined with mailings for other accounts held by members of my household to avoid receipt of multiple copies. I also understand that my account information will be included with other household accounts on the same quarterly and annual statements; (e) accounts linked together in the same household for mailing and/or consolidated statement purposes allow the owner(s) of any linked accounts to request address changes and/or address corrections to the entire portfolio; (f) I have been advised by the Custodian or by the Custodian's Agents to consult with my legal or tax advisor regarding the possible tax consequences of distributions. I acknowledge that the Custodian, Principal Shareholder Services, Inc., and/or its appointed sub transfer agent, shall not be held responsible for the authenticity of instructions received by telephone (which shall be recorded) reasonably believed to be genuine and I will bear the risk of possible losses resulting from an unauthorized and fraudulent telephone transaction; (g) if the Statement of Intent option has been selected in Section 5, my signature below certifies to the terms indicated in the prospectus; (h) it is my responsibility to read the prospectus; if additional information is required for this Application, all disclosures, certifications and notices provided on the Application shall be applicable to such information; (i) I represent and warrant that I have full right, power and authority to give the foregoing affirmations, certifications and authorizations and to make the investments applied for pursuant to the Application form and, if signing on behalf of the beneficial owner, represent and warrant I am duly authorized to sign this Application form; (j) I consent to the annual custodial fee as described in the Custodial Agreement.

Taxpayer Identification Number Certification

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

Account Owner Signature

Date (MM/DD/YYYY)