

GUIDELINES FOR TRANSFER ON DEATH (TOD) REGISTRATION

Transfer on Death is a form of ownership that enables individual or joint tenant account owner(s) to designate a beneficiary to “automatically” become the new account owner upon the death of the current owner(s). Although a TOD account in no way avoids inheritance taxes, it does allow the assets in an account to be transferred to the named beneficiaries without going through probate.

The Benefits of TOD Registration include:

- Allowing the owner(s) of an account to retain all normal rights of ownership
- Allowing the owner(s) to name beneficiaries who will become owners of the account ONLY after the owner (or the last of multiple owners) dies.
- Prohibiting beneficiaries from giving instructions or receiving information regarding the account until the death of the last account owner.
- Transferring ownership of the account to a beneficiary outside of probate.
- Allowing the TOD Registration to be maintained upon the death of a joint owner (in the case of multiple owners). The surviving owner(s) may change the beneficiary designation by submitting:
 - certified copy of death certificate;
 - Transfer on Death Registration Form;
 - completed mutual fund account application; and
- Transferring ownership of the account if beneficiary dies:
 - if owner is still alive, completed Transfer on Death Registration Form will add or change beneficiaries;
 - if no beneficiary survives the death of all owners, account will pass to the estate of the last owner to die;
or
 - if the beneficiary survives the owner(s) but dies before transfer, the shares pass to the estate of the beneficiary.

Eligible Owners include:

- single owner accounts for natural person; and
- natural persons owning the account as joint tenants with right of survivorship (JT TEN).
- Note: TOD Registration is not available for tenants in common accounts, community property accounts or those accounts not owned by natural persons (e.g. trusts, corporations, associations, etc.)

Eligible Beneficiaries include:

- natural persons (multiple beneficiaries are permitted);
- entities (e.g. trusts, corporations, associations, etc.); and
- Custodians under Uniform Transfers to Minors Act.

Note: Spousal consent is required for those shareholders residing in states deemed as “Community Property”.

Neither Principal Funds' Distributor, Prncor Financial Services Corporation, nor the funds they distribute are responsible for determining the tax and legal consequences concerning the decision to register fund shares in TOD form. We are not responsible to a designated TOD beneficiary for dividends or distributions in respect of share registered in TOD form paid after the owner's death but before the transfer of shares to designated beneficiaries. Contact your legal adviser for further information regarding the effect of this registration on your account.

Transfer on Death (TOD) Limitations and Modifications

1. This TOD registration is effective on the date it is received at Principal Funds.
2. Beneficiary designations only apply to the accounts listed on this form. However, if a new account is subsequently opened by exchange from an account with a TOD beneficiary, the new account will retain the old account's beneficiary designation.
3. Beneficiaries must be designated by name or designated as Lineal Descendants (LD) or Lineal Descendants Per Stripes (LDPS). We reserve the right, due to space limitations, to use the term "Beneficiaries" in an account registration rather than list each named beneficiary.
4. Upon notification of the death of all account owners and receipt of the required documentation, the assets in the owner's account(s) will be transferred to the beneficiary(ies) named on this form. If multiple beneficiaries are named, shares will be transferred to all beneficiaries to the nearest one-thousandth share. An account will be transferred to a named beneficiary when the required documents have been received at the Transfer Agent. The beneficiary may register the account transferred to him/her in any manner consistent with our registration standards in effect at the time of transfer. If a beneficiary wishes to redeem shares after the death of all owners, the shares must be transferred to the name of the beneficiary before the redemption can take place.
5. The validity and effect of this form shall be governed by the law of the State of Iowa.
6. If I have previously designated a beneficiary for these accounts, I hereby revoke that designation.

Authorization:

I have read and understand the Transfer on Death Guidelines and on behalf of myself and my successors, heirs and beneficiaries, I hereby agree to indemnify, defend, and hold harmless Principal Funds' Distributor, Princor Financial Services Corporation ("Princor"), their funds, and their affiliates against any loss, claim, damage, settlement amount or expense (including attorney's fees) to the extent that a TOD effected according to these instructions is alleged or found to be unlawful, invalid or ineffective for any reason. Principal Funds Distribution, Princor, their funds, and their affiliates are entitled to attach or debit the account to the TOD beneficiary to the extent necessary to enforce their rights to this indemnity. I agree to be bound by the Securities Transfer Association (STA) TOD Rules, as may be amended from time to time by the STA or altered, modified or supplemented by Principal Funds. We reserve the right, at any time, without prior notice, to suspend, limit, modify, or terminate the TOD registration.

Signature

Date

Signature

Date

The signature of the account owner(s) must be guaranteed if adding or changing the beneficiary on an existing account. If establishing a new account, no signature guarantee is required.

MEDALLION SIGNATURE GUARANTEED BY:

The signature(s) must be guaranteed by a commercial bank, trust company, credit union, savings and loan association, national securities exchange member or brokerage firm. Signature guarantees by notary publics are not acceptable.

If you have any questions, please call Principal Funds.