



Important Notice to Owners of Shares of the Principal Mortgage Securities Fund

Effective September 30, 2009, the name of the **Principal Mortgage Securities Fund** changed to the **Principal Government & High Quality Bond Fund**. Aside from the name change, shareholders will not see any difference in the fund or in their account. The investment objective and strategy of the fund will remain the same. From an IRS perspective, this is viewed as a non-taxable conversion of the fund. No tax consequences are anticipated.

If you have any questions regarding this change, please contact your financial professional or call Principal Funds at 800-222-5852.



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