

Still trying to time the market? Take a closer look.

This table demonstrates how various asset classes have performed on an annual basis from 1990 through 2009. As you can see, the best performing asset classes change dramatically from year to year. Since no one can predict the future, diversification is critically important to help you reach your investment goals.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Best ↑ ↓ Worst	INV-GRADE BONDS 8.95%	SMALL GROWTH STOCKS 51.19%	SMALL VALUE STOCKS 29.14%	FOREIGN STOCKS 32.94%	FOREIGN STOCKS 8.06%	LARGE GROWTH STOCKS 38.13%	REITs 35.75%	LARGE GROWTH STOCKS 36.52%	LARGE GROWTH STOCKS 42.16%	SMALL GROWTH STOCKS 43.09%	REITs 25.88%	REITs 15.50%	INV-GRADE BONDS 10.27%	SMALL GROWTH STOCKS 48.54%	REITs 30.41%	FOREIGN STOCKS 14.02%	REITs 34.35%	FOREIGN STOCKS 11.63%	INV-GRADE BONDS 5.24%	HIGH YIELD BONDS 58.21%
	LARGE GROWTH STOCKS 0.20%	MID-CAP STOCKS 50.10%	HIGH YIELD BONDS 15.75%	SMALL VALUE STOCKS 23.84%	LARGE GROWTH STOCKS 3.13%	LARGE VALUE STOCKS 36.99%	LARGE GROWTH STOCKS 23.96%	MID-CAP STOCKS 32.26%	FOREIGN STOCKS 20.33%	LARGE GROWTH STOCKS 28.25%	SMALL VALUE STOCKS 22.83%	SMALL VALUE STOCKS 14.03%	REITs 5.22%	SMALL VALUE STOCKS 46.03%	SMALL VALUE STOCKS 22.25%	MID-CAP STOCKS 12.55%	FOREIGN STOCKS 26.86%	LARGE GROWTH STOCKS 9.13%	HIGH YIELD BONDS -26.16%	MID-CAP STOCKS 37.38%
	MID-CAP STOCKS -5.12%	HIGH YIELD BONDS 46.19%	REITs 12.18%	LARGE VALUE STOCKS 18.60%	REITs 0.81%	SMALL GROWTH STOCKS 31.04%	LARGE VALUE STOCKS 21.99%	SMALL VALUE STOCKS 31.78%	MID-CAP STOCKS 19.12%	FOREIGN STOCKS 27.30%	MID-CAP STOCKS 17.51%	INV-GRADE BONDS 8.42%	HIGH YIELD BONDS -1.37%	FOREIGN STOCKS 39.17%	FOREIGN STOCKS 20.70%	REITs 8.29%	SMALL VALUE STOCKS 23.48%	MID-CAP STOCKS 7.98%	SMALL VALUE STOCKS -28.92%	SMALL GROWTH STOCKS 34.47%
	LARGE VALUE STOCKS -6.85%	SMALL VALUE STOCKS 41.70%	MID-CAP STOCKS 11.91%	REITs 18.55%	LARGE VALUE STOCKS -0.64%	MID-CAP STOCKS 30.94%	SMALL VALUE STOCKS 21.37%	LARGE VALUE STOCKS 29.98%	LARGE VALUE STOCKS 14.67%	MID-CAP STOCKS 14.72%	INV-GRADE BONDS 11.63%	HIGH YIELD BONDS 5.28%	SMALL VALUE STOCKS -11.43%	REITs 38.47%	MID-CAP STOCKS 16.48%	LARGE VALUE STOCKS 6.33%	LARGE VALUE STOCKS 20.80%	SMALL GROWTH STOCKS 7.05%	LARGE GROWTH STOCKS -34.92%	FOREIGN STOCKS 32.46%
	HIGH YIELD BONDS -9.59%	LARGE GROWTH STOCKS 38.37%	LARGE VALUE STOCKS 10.53%	HIGH YIELD BONDS 17.11%	HIGH YIELD BONDS -1.01%	SMALL VALUE STOCKS 25.75%	MID-CAP STOCKS 19.20%	REITs 18.87%	INV-GRADE BONDS 8.67%	LARGE VALUE STOCKS 12.72%	LARGE VALUE STOCKS 6.09%	MID-CAP STOCKS -0.61%	MID-CAP STOCKS -14.51%	MID-CAP STOCKS 35.61%	LARGE VALUE STOCKS 15.71%	SMALL VALUE STOCKS 4.71%	SMALL GROWTH STOCKS 13.35%	INV-GRADE BONDS 6.96%	MID-CAP STOCKS -36.23%	LARGE GROWTH STOCKS 31.57%
	REITs -17.35%	REITs 35.68%	SMALL GROWTH STOCKS 7.77%	MID-CAP STOCKS 13.96%	SMALL VALUE STOCKS -1.55%	HIGH YIELD BONDS 19.17%	HIGH YIELD BONDS 11.35%	SMALL GROWTH STOCKS 12.95%	HIGH YIELD BONDS 1.87%	HIGH YIELD BONDS 2.39%	HIGH YIELD BONDS -5.86%	SMALL GROWTH STOCKS -9.23%	FOREIGN STOCKS -15.66%	LARGE VALUE STOCKS 31.79%	SMALL GROWTH STOCKS 14.31%	SMALL GROWTH STOCKS 4.15%	HIGH YIELD BONDS 11.87%	LARGE VALUE STOCKS 1.99%	REITs -37.34%	REITs 27.45%
	SMALL GROWTH STOCKS -17.41%	LARGE VALUE STOCKS 22.56%	INV-GRADE BONDS 7.40%	SMALL GROWTH STOCKS 13.36%	SMALL GROWTH STOCKS -2.43%	INV-GRADE BONDS 18.48%	SMALL GROWTH STOCKS 11.26%	HIGH YIELD BONDS 12.77%	SMALL GROWTH STOCKS 1.23%	INV-GRADE BONDS -0.83%	FOREIGN STOCKS -13.96%	LARGE VALUE STOCKS -11.71%	LARGE VALUE STOCKS -20.85%	HIGH YIELD BONDS 28.96%	HIGH YIELD BONDS 11.14%	LARGE GROWTH STOCKS 3.46%	LARGE GROWTH STOCKS 11.01%	HIGH YIELD BONDS 1.88%	SMALL GROWTH STOCKS -38.54%	LARGE VALUE STOCKS 21.18%
	SMALL VALUE STOCKS -21.77%	INV-GRADE BONDS 16.00%	LARGE GROWTH STOCKS 5.07%	INV-GRADE BONDS 9.75%	INV-GRADE BONDS -2.92%	REITs 18.31%	FOREIGN STOCKS 6.36%	INV-GRADE BONDS 9.68%	SMALL VALUE STOCKS -6.45%	SMALL VALUE STOCKS -1.49%	LARGE GROWTH STOCKS -22.08%	LARGE GROWTH STOCKS -12.73%	LARGE GROWTH STOCKS -23.59%	LARGE GROWTH STOCKS 25.67%	LARGE GROWTH STOCKS 6.13%	HIGH YIELD BONDS 2.74%	MID-CAP STOCKS 10.32%	SMALL VALUE STOCKS -9.78%	LARGE VALUE STOCKS -39.22%	SMALL VALUE STOCKS 20.58%
	FOREIGN STOCKS -23.19%	FOREIGN STOCKS 12.49%	FOREIGN STOCKS -11.85%	LARGE GROWTH STOCKS 1.68%	MID-CAP STOCKS -3.57%	FOREIGN STOCKS 11.55%	INV-GRADE BONDS 3.61%	FOREIGN STOCKS 2.06%	REITs -18.82%	REITs -6.48%	SMALL GROWTH STOCKS -22.43%	FOREIGN STOCKS -21.21%	SMALL GROWTH STOCKS -30.26%	INV-GRADE BONDS 4.11%	INV-GRADE BONDS 4.34%	INV-GRADE BONDS 2.43%	INV-GRADE BONDS 4.33%	REITs -17.83%	FOREIGN STOCKS -43.06%	INV-GRADE BONDS 5.93%

Past performance is not a guarantee of future results.

Source: Zephyr StyleADVISOR. Small value stocks are represented by the Russell 2000® Value Index; small growth stocks are represented by the Russell 2000® Growth Index; large value stocks are represented by the S&P 500/Barra Value Index for 1990–2005 and by the S&P 500/Citigroup Value Index for 2006–2009; large growth stocks are represented by the S&P 500/Barra Growth Index for 1990–2005 and by the S&P 500/Citigroup Growth Index for 2006–2009; mid-cap stocks are represented by the S&P MidCap 400 Index; foreign stocks are represented by the MSCI EAFE Index; REITs are represented by the FTSE NAREIT All REITs Index; high yield bonds are represented by the Barclays Capital U.S. Corporate High-Yield Index; investment-grade bonds are represented by the Barclays Capital U.S. Aggregate Bond Index. This material has been obtained from sources generally considered reliable. No guarantee can be made as to its accuracy. Not intended to represent the performance of any particular investment. Indices are unmanaged and one cannot invest directly in an index.

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- Large Growth Stocks
- Large Value Stocks
- Mid-Cap Stocks
- Small Growth Stocks
- Small Value Stocks
- Foreign Stocks
- Investment-Grade Bonds
- High Yield Bonds
- REITs

Asset allocation solutions for the long-term investor

At Principal Funds, we recognize the importance of diversification and asset allocation in a comprehensive investment plan. Our SAM Portfolios are a series of mutual funds that are designed to help manage risk while pursuing various long-term financial goals. **They offer “active asset allocation” strategies, which means they are continually monitored and reallocated in response to changing economic and market conditions.** Ranging from a portfolio consisting mostly of equity funds, to one that invests primarily in fixed-income funds, you can choose the SAM Portfolio that best fits your goals and risk tolerance.

FLEXIBLE INCOME PORTFOLIO		CONSERVATIVE BALANCED PORTFOLIO		BALANCED PORTFOLIO		CONSERVATIVE GROWTH PORTFOLIO		STRATEGIC GROWTH PORTFOLIO	
Class A	Class C	Class A	Class C	Class A	Class C	Class A	Class C	Class A	Class C
SAUPX	SCUPX	SAIPX	SCIPX	SABPX	SCBPX	SAGPX	SCGPX	SACAX	SWHCX
Objective & Strategy: Seeks income and long-term capital preservation through a combination of fixed-income funds, with some limited exposure to equity funds.		Objective & Strategy: Seeks long-term capital growth and income through a combination of fixed-income funds, with a portion of assets in equity funds.		Objective & Strategy: Seeks long-term capital growth and income through a combination of domestic and international equity funds and fixed-income funds.		Objective & Strategy: Seeks long-term capital growth through a diversified mix of domestic and international equity funds, with a portion of assets in fixed-income funds.		Objective & Strategy: Seeks long-term capital growth through a diversified mix of domestic and international equity funds.	
Asset Allocation: 25% Equities 75% Fixed Income		Asset Allocation: 40% Equities 60% Fixed Income		Asset Allocation: 60% Equities 40% Fixed Income		Asset Allocation: 80% Equities 20% Fixed Income		Asset Allocation: 95% Equities 5% Fixed Income	
Asset Class Diversification: Mortgage- & Asset-Backed Bonds 36% Investment-Grade Corporate Bonds 16% High-Yield Corporate Bonds 8% U.S. Government Securities 7% Preferred Securities 3% U.S. Large-Cap Value Stocks 6.5% U.S. Large-Cap Growth Stocks 6% U.S. Mid-Cap Growth Stocks 2.5% U.S. Mid-Cap Value Stocks 2.5% Non-U.S. Developed Market Stocks 2% Convertible Securities 1.5% U.S. Small-Cap Value Stocks 1.5% U.S. Small-Cap Growth Stocks 1% REITs 1% Emerging Market Stocks 0.5% Cash Equivalents 5%		Asset Class Diversification: Mortgage- & Asset-Backed Bonds 29% Investment-Grade Corporate Bonds 12% High-Yield Corporate Bonds 6.5% U.S. Government Securities 5% Preferred Securities 2.5% U.S. Large-Cap Value Stocks 11% U.S. Large-Cap Growth Stocks 9% U.S. Mid-Cap Growth Stocks 4% U.S. Mid-Cap Value Stocks 4% Non-U.S. Developed Market Stocks 3% REITs 2.5% U.S. Small-Cap Value Stocks 2% U.S. Small-Cap Growth Stocks 2% Convertible Securities 1.5% Emerging Market Stocks 1% Cash Equivalents 5%		Asset Class Diversification: U.S. Large-Cap Value Stocks 16% U.S. Large-Cap Growth Stocks 14% U.S. Mid-Cap Growth Stocks 6% U.S. Mid-Cap Value Stocks 6% Non-U.S. Developed Market Stocks 4.5% REITs 4% U.S. Small-Cap Value Stocks 3.5% U.S. Small-Cap Growth Stocks 3% Convertible Securities 1.5% Emerging Market Stocks 1.5% Mortgage- & Asset-Backed Bonds 18% Investment-Grade Corporate Bonds 7.5% High-Yield Corporate Bonds 4.5% U.S. Government Securities 3% Preferred Securities 2% Cash Equivalents 5%		Asset Class Diversification: U.S. Large-Cap Value Stocks 22% U.S. Large-Cap Growth Stocks 18% U.S. Mid-Cap Growth Stocks 8.5% U.S. Mid-Cap Value Stocks 8.5% Non-U.S. Developed Market Stocks 6% REITs 5% U.S. Small-Cap Growth Stocks 4.5% U.S. Small-Cap Value Stocks 4.5% Emerging Market Stocks 2% Convertible Securities 1% Mortgage- & Asset-Backed Bonds 8% High-Yield Corporate Bonds 3% Investment-Grade Corporate Bonds 3% U.S. Government Securities 1% Preferred Securities 1% Cash Equivalents 4%		Asset Class Diversification: U.S. Large-Cap Value Stocks 26% U.S. Large-Cap Growth Stocks 22% U.S. Mid-Cap Growth Stocks 10.5% U.S. Mid-Cap Value Stocks 10.5% Non-U.S. Developed Market Stocks 7% REITs 5.5% U.S. Small-Cap Growth Stocks 5% U.S. Small-Cap Value Stocks 5% Emerging Market Stocks 2.5% Convertible Securities 1% High-Yield Corporate Bonds 3% Cash Equivalents 2%	

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