

Important Notice regarding ERISA 404(c) from
PARAGON PACKAGING, INC. 401(K) RETIREMENT
PLAN

Contract/Plan ID Number 4-56024

Important

The plan sponsor chose to qualify the Plan as an ERISA 404(c) plan. This means the plan fiduciary should not be liable for any investment losses that result from a participant's investment control.

Please read on for more information.

The enclosed materials use these defined words and phrases:

Plan means **PARAGON PACKAGING, INC. 401 (K) RETIREMENT PLAN.**

Plan Fiduciary means the individual(s) holding authority over the operation and administration of the Plan and its retirement funds. The Plan Sponsor is the Plan Fiduciary.

Plan Sponsor means **PARAGON PACKAGING, INC..**

You means the plan participant or beneficiary.

Plan's 404(c) Contact means the individual(s) you should contact if you have any questions about the investment options under the Plan. The Plan's 404(c) Contact is:

JULIA VASQUEZ
1500 E BROAD STREET
MANFIELD, TX 76063-1807

The Plan's 404(c) Contact can provide the following additional information, if asked.

General Fund Expenses

- Annual Investment management fees for each investment option under the Group Annuity Contract and plan administrative expenses, if any may be deducted from each investment.

Financial Statements provided to the Plan Sponsor by the investment manager(s)

- Annual reports of the investment manager
- Plan investment option performance
- Prospectus made available by the Plan Sponsor

Portfolio Assets

- List of the assets and their values in the portfolio

Investment Performance

- Past, current, and specific investment performance of each investment option. (Note: This is already provided in the Investment Option Summary.)

Values of Shares

- Values of shares in the account. (Note: You can find the values of the various investment options in your retirement plan statement)

Information about ERISA Section 404(c)

General Information

Investment Responsibility

The Employee Retirement Income Security Act (ERISA) provides rules about the investment of retirement funds. ERISA Section 404(c) lets a Plan Fiduciary transfer some responsibility for the investment of retirement funds to plan participants. The Plan Sponsor intends to comply with ERISA Section 404(c) requirements by providing information for you to make informed investment decisions and by letting you:

- Direct the investment of individual retirement accounts
- Choose from at least three diverse investment options, and
- Change investment choices at least quarterly.

How Does This Affect You?

To help you make informed investment choices and for more information about the investment options available to you, including investment objectives, performance, and fees, please review the enclosed materials or visit us at www.principal.com. (Note: The 404(c) Contact will provide information about any other investment choices available under the Plan and not previously mentioned in these materials.)

The Plan Fiduciary makes certain investment options available under the Plan. You decide which of those options works best for you according to your age and circumstances. This means that you are responsible for directing the investment in the account. It also may relieve the Plan Fiduciary of liability for any losses that result from your investment choices.

Transferring Investment Options

You can transfer funds between the different investment options at least quarterly. The Plan may allow for more frequent transfers. To transfer retirement funds, you need to use TeleTouch® or the Internet.

You choose from a variety of investment options. For detailed information about the investment options, see the enclosed descriptions or visit us at www.principal.com.

Please see the enclosed Investment Option Summary for descriptions.



**PARAGON PACKAGING, INC. 401(K)
RETIREMENT PLAN**
Principal Life Insurance Company
Des Moines, IA 50306-9394

**Investment Option
Summary**

As of 12/31/2010


Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including most recent month-end performance, visit the Principal Financial Group® Web site at principal.com, or call our Client Contact Center at 800-547-7754.

The gross total investment expense figure does not reflect any waivers or caps on the mutual fund or underlying mutual fund in which a separate account investment option invests. Returns displayed are always based on net total investment expense. For more information please access the Investment Option Profile by visiting The Principal Web site at principal.com, or call our Client Contact Center at 800-547-7754.

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Short-Term Fixed Income									
This asset class is generally comprised of short-term, fixed-income investment options that are largely liquid and are designed to not lose much value. These investment options may include stable value, money market, short-term bond, and guaranteed interest accounts. They are considered to be among the least risky forms of investment options. However, they typically have a lower rate of return than equities or longer-term fixed income investment options over long periods of time. Depending on the objectives of the investment options, they may experience price fluctuations and may lose value.									
GIC									
	Guaranteed Interest Account 3 year	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
	The Guaranteed Interest Investment provides a guaranteed interest rate for set period of time. It invests in private-market bonds, commercial mortgages and mortgage-backed securities as part of the General Account assets of Principal Life Insurance Company. A surrender charge may apply to transfers or withdrawals from an un-matured Guaranteed Interest Investment. The reference rate used to determine if a charge applies is equal to the applicable U.S. Treasury rate* plus 0.50%. A charge applies when the reference rate is higher than the rate being credited to the un-matured funds being transferred or withdrawn. The amount of the surrender charge is calculated as follows: 1) The applicable U.S. Treasury Rate plus 0.50% minus the rate being credited, multiplied by 2) The number of years and fractional parts of a year (rounded to the nearest month) left in the guarantee period, multiplied by 3) The amount being surrendered. A surrender charge may apply to withdrawals due to retirement, termination of employment, disability, or death.	0.63	0.63	1.63	2.57	2.62	—	6/1941	—
Composition (% of Assets) as of 09/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.47	Mortgage Loans	15.24	Redemption fee:			--		
Stocks	1.11	Real Estate	0.55	12b-1fee: -					
Bonds	71.76	Other	9.87	Total Inv Exp Net: 0.65					
				Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					



Investment Option Summary

Contract/Plan ID Number 4-56024

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010								
Short-Term Fixed Income										
This asset class is generally comprised of short-term, fixed-income investment options that are largely liquid and are designed to not lose much value. These investment options may include stable value, money market, short-term bond, and guaranteed interest accounts. They are considered to be among the least risky forms of investment options. However, they typically have a lower rate of return than equities or longer-term fixed income investment options over long periods of time. Depending on the objectives of the investment options, they may experience price fluctuations and may lose value.										
GIC										
	Guaranteed Interest Account 5 year	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
	The Guaranteed Interest Investment provides a guaranteed interest rate for set period of time. It invests in private-market bonds, commercial mortgages and mortgage-backed securities as part of the General Account assets of Principal Life Insurance Company. A surrender charge may apply to transfers or withdrawals from an un-matured Guaranteed Interest Investment. The reference rate used to determine if a charge applies is equal to the applicable U.S. Treasury rate* plus 0.50%. A charge applies when the reference rate is higher than the rate being credited to the un-matured funds being transferred or withdrawn. The amount of the surrender charge is calculated as follows: 1) The applicable U.S. Treasury Rate plus 0.50% minus the rate being credited, multiplied by 2) The number of years and fractional parts of a year (rounded to the nearest month) left in the guarantee period, multiplied by 3) The amount being surrendered. A surrender charge may apply to withdrawals due to retirement, termination of employment, disability, or death.	1.42	1.42	2.30	3.08	3.26	—	6/1941	—	
Composition (% of Assets) as of 09/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	1.47	Mortgage Loans	15.24	Redemption fee:			--			
Stocks	1.11	Real Estate	0.55	12b-1fee: -						
Bonds	71.76	Other	9.87	Total Inv Exp Net: 0.65						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						
Money Market										
		Money Market Sep Acct^{A,4,10,11}	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		The investment seeks a high a level of current income consistent with preservation of principal and maintenance of liquidity. It invests in a portfolio of high quality, short-term money market instruments. The investments are U.S. dollar denominated securities which the sub-advisor believes present minimal credit risks. The sub-advisor maintains a dollar weighted average portfolio maturity of 60 days or less.	0.03	0.03	0.58	1.91	1.59	4.86	12/1980	1.28
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
U.S. Bonds	13.83	Other	86.17	Redemption fee:			--			
				12b-1fee: -						
				Total Inv Exp Net: 0.29						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: 12/31/2008						

Investment Option Summary

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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Fixed Income									
This asset class is generally comprised of investment options that invest in bonds, or debt of a company or government entity (including U.S. and Non- U.S.). It may also include real estate investment options that directly own property. These investment options typically carry more risk than short-term fixed income investment options (including, for real estate investment options, liquidity risk), but less overall risk than equities. All investment options in this category have the potential to lose value.									
Intermediate-Term Bond									
	Bond and Mortgage Sep Acct ^{A,8,9,F} The investment option invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and US government and agency-backed securities. Value is added primarily through sector allocation and security selection. The Separate Account may enter into reverse repurchase agreements to attempt to enhance portfolio return and income.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		10.79	10.79	4.86	4.26	4.77	7.58	2/1983	1.43
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	4.31	Non-U.S. Bonds	10.96	Redemption fee:			1/30 day period		
Convertibles	0.09	Preferred	0.05	12b-1fee: -					
U.S. Bonds	86.54	Other	-1.95	Total Inv Exp Net: 1.43					
				Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Balanced/Asset Allocation									
This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.									
Retirement Income									
	Principal LifeTime Strategic Income Separate Account ^{A,6,9,12,13,14,F} The investment seeks current income and, as a secondary objective, capital appreciation. The fund invests in underlying fixed-income funds, but also invests in underlying equity and hybrid funds according to an asset allocation strategy designed for investors seeking current income from their investment. It invests most of the assets in underlying funds which are intended primarily to give the fund broad exposure to income-producing securities through their investments in fixed-income securities, "hybrid" securities and dividend generating domestic and foreign stocks.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		10.22	10.22	-0.09	1.70	—	3.67	3/2001	1.50
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	0.95	U.S. Stocks	16.52	Redemption fee:			1/30 day period		
Non-U.S. Stocks	6.40	Non-U.S. Bonds	3.18	12b-1fee: -					
Convertibles	0.12	Preferred	2.01	Total Inv Exp Net: 1.50					
U.S. Bonds	71.67	Other	-0.85	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					

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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Balanced/Asset Allocation									
This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.									
Target Date 2000-2010									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2010 Separate Account ^{A,6,9,12,13,14,F} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		12.91	12.91	-1.14	1.96	—	4.03	3/2001	1.61
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.22	U.S. Stocks	38.40	Redemption fee:			1/30 day period		
Non-U.S. Stocks	14.59	Non-U.S. Bonds	2.12	12b-1fee: -					
Convertibles	0.08	Preferred	2.10	Total Inv Exp Net: 1.61					
U.S. Bonds	41.94	Other	-0.45	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Target Date 2011-2015									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2015 Separate Account ^{A,6,9,12,13,14,F} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		13.44	13.44	—	—	—	0.76	2/2008	1.64
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.32	U.S. Stocks	43.48	Redemption fee:			1/30 day period		
Non-U.S. Stocks	18.25	Non-U.S. Bonds	1.67	12b-1fee: -					
Convertibles	0.07	Preferred	1.75	Total Inv Exp Net: 1.64					
U.S. Bonds	33.81	Other	-0.36	Contractual Cap Expiration Date: 02/28/2011					
				Waiver Expiration Date: 02/28/2011					
Target Date 2016-2020									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2020 Separate Account ^{A,6,9,12,13,14,F} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		13.85	13.85	-1.86	2.23	—	4.44	3/2001	1.64
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.17	U.S. Stocks	47.68	Redemption fee:			1/30 day period		
Non-U.S. Stocks	19.00	Non-U.S. Bonds	1.09	12b-1fee: -					
Convertibles	0.07	Preferred	1.71	Total Inv Exp Net: 1.64					
U.S. Bonds	29.62	Other	-0.33	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					

Investment Option Summary

Contract/Plan ID Number 4-56024

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Balanced/Asset Allocation									
This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.									
Target Date 2021-2025									
<div style="border: 1px solid black; padding: 5px; text-align: center;"> Multiple Sub-Advisors </div>	Principal LifeTime 2025 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		14.10	14.10	—	—	—	0.09	2/2008	1.67
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.24	U.S. Stocks	51.85	Redemption fee:			1/30 day period		
Non-U.S. Stocks	21.22	Non-U.S. Bonds	0.85	12b-1fee: -					
Convertibles	0.05	Preferred	1.36	Total Inv Exp Net: 1.67					
U.S. Bonds	23.66	Other	-0.22	Contractual Cap Expiration Date: 02/28/2011					
				Waiver Expiration Date: 02/28/2011					
Target Date 2026-2030									
<div style="border: 1px solid black; padding: 5px; text-align: center;"> Multiple Sub-Advisors </div>	Principal LifeTime 2030 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		14.51	14.51	-2.60	2.15	—	4.30	3/2001	1.67
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.27	U.S. Stocks	54.74	Redemption fee:			1/30 day period		
Non-U.S. Stocks	21.85	Non-U.S. Bonds	1.02	12b-1fee: -					
Convertibles	0.04	Preferred	1.62	Total Inv Exp Net: 1.67					
U.S. Bonds	19.57	Other	-0.11	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Target Date 2031-2035									
<div style="border: 1px solid black; padding: 5px; text-align: center;"> Multiple Sub-Advisors </div>	Principal LifeTime 2035 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		14.57	14.57	—	—	—	-0.28	2/2008	1.70
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.28	U.S. Stocks	57.63	Redemption fee:			1/30 day period		
Non-U.S. Stocks	24.13	Non-U.S. Bonds	0.80	12b-1fee: -					
Convertibles	0.03	Preferred	1.24	Total Inv Exp Net: 1.70					
U.S. Bonds	14.92	Other	-0.03	Contractual Cap Expiration Date: 02/28/2011					
				Waiver Expiration Date: 02/28/2011					



Investment Option Summary

Contract/Plan ID Number 4-56024

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Balanced/Asset Allocation									
This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.									
Target Date 2036-2040									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2040 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		14.83	14.83	-3.30	1.90	—	4.26	3/2001	1.70
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.32	U.S. Stocks	59.47	Redemption fee:			1/30 day period		
Non-U.S. Stocks	24.70	Non-U.S. Bonds	0.91	12b-1fee: -					
Convertibles	0.02	Preferred	1.41	Total Inv Exp Net: 1.70					
U.S. Bonds	12.12	Other	0.05	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Target Date 2041-2045									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2045 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		14.87	14.87	—	—	—	-0.51	2/2008	1.78
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.33	U.S. Stocks	61.16	Redemption fee:			1/30 day period		
Non-U.S. Stocks	26.07	Non-U.S. Bonds	0.75	12b-1fee: -					
Convertibles	0.02	Preferred	1.03	Total Inv Exp Net: 1.75					
U.S. Bonds	9.55	Other	0.10	Contractual Cap Expiration Date: 02/28/2011					
				Waiver Expiration Date: 02/28/2011					
Target Date 2050+									
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Multiple Sub-Advisors</div>	Principal LifeTime 2050 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		15.00	15.00	-3.67	1.79	—	3.89	3/2001	1.72
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period		
Cash	1.34	U.S. Stocks	62.69	Redemption fee:			1/30 day period		
Non-U.S. Stocks	26.03	Non-U.S. Bonds	0.80	12b-1fee: -					
Convertibles	0.01	Preferred	1.15	Total Inv Exp Net: 1.72					
U.S. Bonds	7.85	Other	0.13	Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					



Investment Option Summary

Contract/Plan ID Number 4-56024

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010								
Balanced/Asset Allocation										
This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value.										
Target Date 2050+										
	Principal LifeTime 2055 Separate Account <small>A,6,9,12,13,14,F</small> The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisor's discretion.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		14.72	14.72	—	—	—	-0.69	2/2008	2.26	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	1.32	U.S. Stocks	62.41	Redemption fee:			1/30 day period			
Non-U.S. Stocks	26.77	Non-U.S. Bonds	0.61	12b-1fee: -						
Convertibles	0.01	Preferred	0.62	Total Inv Exp Net: 1.76						
U.S. Bonds	8.14	Other	0.12	Contractual Cap Expiration Date: 02/28/2011						
				Waiver Expiration Date: 02/28/2011						
Large Blend										
	Stock Emphasis Balanced Sep Acct <small>A,6,7,9,F</small> The investment option primarily invests in other separate accounts offered by The Principal. It usually maintains at least 50% of assets in common stocks.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		15.17	15.17	-3.49	2.52	3.38	6.50	10/1993	0.78	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	1.81	U.S. Stocks	47.40	Redemption fee:			1/30 day period			
Non-U.S. Stocks	12.53	Non-U.S. Bonds	3.70	12b-1fee: -						
Convertibles	0.05	Preferred	0.01	Total Inv Exp Net: 0.78						
U.S. Bonds	24.78	Other	9.72	Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						
Large U.S. Equity										
This asset class is generally comprised of investment options that invest in stocks, or shares of ownership in large, well-established, U.S. companies. These investment options typically carry more risk than fixed income investment options but have the potential for higher returns over longer time periods. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.										
Large Value										
	LargeCap Value Separate Account <small>A,F</small> The investment option normally invests the majority of assets in companies with large market capitalizations at the time of purchase. Management selects investments primarily on the basis of fundamental security analysis, focusing on the company's financial stability, sales, earnings, dividend trends, return on equity and industry trends. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		13.18	13.18	-5.82	-0.26	1.34	5.47	6/1995	1.33	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	2.06	U.S. Stocks	96.75	Redemption fee:			1/30 day period			
Non-U.S. Stocks	1.19				12b-1fee: -					
				Total Inv Exp Net: 1.33						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						




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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Large U.S. Equity									
This asset class is generally comprised of investment options that invest in stocks, or shares of ownership in large, well-established, U.S. companies. These investment options typically carry more risk than fixed income investment options but have the potential for higher returns over longer time periods. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.									
Large Blend									
	LargeCap S&P 500 Index Separate Account <small>A,2,5,F</small> The investment option normally invests the majority of assets in common stocks of companies that compose the S&P 500 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 500 Index. Over the long-term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 500 Index.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		13.86	13.86	-3.81	1.28	0.36	7.39	1/1990	1.03
Composition (% of Assets) as of 11/30/2010		Fees & Expenses:			# of Transfers Allowed/Time Period				
Cash	2.09	U.S. Stocks	97.91	Redemption fee:			1/30 day period		
		12b-1fee: -							
		Total Inv Exp Net: 1.03							
		Contractual Cap Expiration Date: N/A							
		Waiver Expiration Date: N/A							
Large Growth									
	LargeCap Growth Separate Account <small>A,F</small> The investment option primarily invests in common stocks of large capitalization companies with strong earnings growth potential. It normally invests the majority of assets in companies with large market capitalizations at the time of purchase. Management places strong emphasis on companies it believes are guided by high quality management teams. It also attempts to identify those companies that are market leaders possessing the ability to control pricing and margins in their respective industries. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		17.74	17.74	-5.57	2.29	-1.27	5.39	6/1995	1.43
Composition (% of Assets) as of 11/30/2010		Fees & Expenses:			# of Transfers Allowed/Time Period				
Cash	4.55	U.S. Stocks	93.97	Redemption fee:			1/30 day period		
Non-U.S. Stocks	1.48	12b-1fee: -							
		Total Inv Exp Net: 1.43							
		Contractual Cap Expiration Date: N/A							
		Waiver Expiration Date: N/A							




Investment Option Summary

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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010								
Small/Mid U.S. Equity										
This asset class is generally comprised of investment options that invest in stocks, or shares of ownership in small to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.										
Mid Cap Value										
 BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC	MidCap Value III Separate Account A,1,F The investment seeks long-term growth of capital and normally invests the majority of assets in companies with market capitalizations similar to those of companies in the Russell MidCap Value Index. Management selects investments primarily on the basis of fundamental security analysis, focusing on the company's financial stability, sales, earnings, dividend trends, return on equity and industry trends. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		19.59	19.59	-0.57	2.24	5.74	9.31	1/1991	1.53	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	3.13	U.S. Stocks	94.86	Redemption fee:			1/30 day period			
Non-U.S. Stocks	2.00	Other	0.01	12b-1fee: -						
				Total Inv Exp Net: 1.53						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						
Mid Cap Blend										
	MidCap Blend Separate Account ^{A,1,F} The investment option invests primarily in common stocks and other equity securities of medium capitalization companies. It normally invests the majority of assets in companies with market capitalizations similar to those companies in the Russell MidCap Index. Management's securities selection is based on stocks with value and/or growth characteristics, and management constructs an investment portfolio that has a blend of stocks with these characteristics. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		22.82	22.82	1.97	5.40	6.54	10.44	1/1991	1.53	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	1.28	U.S. Stocks	91.01	Redemption fee:			1/30 day period			
Non-U.S. Stocks	7.71				12b-1fee: -					
				Total Inv Exp Net: 1.53						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						
Mid Cap Growth										
	MidCap Growth Separate Account A,1,F The investment option primarily invests in common stocks of medium capitalization companies with strong earnings growth potential. It normally invests the majority of assets in companies with market capitalizations similar to those companies in the Russell MidCap Growth Index. Management uses a bottom-up approach in selection of individual securities that it believes have an above average potential for earnings growth. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross	
		28.23	28.23	-2.29	4.23	-1.44	4.88	6/1995	1.53	
Composition (% of Assets) as of 11/30/2010				Fees & Expenses:			# of Transfers Allowed/Time Period			
Cash	2.24	U.S. Stocks	89.45	Redemption fee:			1/30 day period			
Non-U.S. Stocks	8.31				12b-1fee: -					
				Total Inv Exp Net: 1.53						
				Contractual Cap Expiration Date: N/A						
				Waiver Expiration Date: N/A						


Investment Option Summary

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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
Small/Mid U.S. Equity									
This asset class is generally comprised of investment options that invest in stocks, or shares of ownership in small to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.									
Small Value									
	SmallCap Value Separate Account A,1,F The investment seeks long-term growth of capital and invests primarily in common stocks of small capitalization companies. It normally invests the majority of assets in companies with market capitalizations similar to those companies in the Russell 2000 Value Index. Management focuses on stocks of small-sized companies that are undervalued at the time of purchase. These companies are often characterized by below-average stock price earnings ratios and above-average dividend yields. The Separate Account may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		21.14	21.14	-1.68	0.76	7.60	8.63	6/1995	1.63
Composition (% of Assets) as of 11/30/2010					Fees & Expenses:			# of Transfers Allowed/Time Period	
Cash	2.55	U.S. Stocks	97.45	Redemption fee:			1/30 day period		
				12b-1fee: -					
				Total Inv Exp Net: 1.63					
				Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Small Blend									
	SmallCap Blend Separate Account A,1,F The investment seeks long-term growth of capital and primarily invests in common stocks of small capitalization companies. It normally invests the majority of assets in companies with market capitalizations similar to those of companies in the Russell 2000 Index. Management looks at stocks with value and or growth characteristics and constructs an investment portfolio that has a blend of stocks with these characteristics. Management does not have a policy of preferring one of these styles to the other. The Separate Account may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		23.34	23.34	-2.04	1.52	5.19	9.92	1/1991	1.63
Composition (% of Assets) as of 11/30/2010					Fees & Expenses:			# of Transfers Allowed/Time Period	
Cash	1.99	U.S. Stocks	96.98	Redemption fee:			1/30 day period		
Non-U.S. Stocks	0.60	Other	0.43	12b-1fee: -					
				Total Inv Exp Net: 1.63					
				Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					
Small Growth									
	SmallCap Growth Separate Account A,1,F The investment seeks long-term growth of capital and invests primarily in common stocks of small capitalization companies. It normally invests the majority of assets in companies with market capitalizations similar to those companies in the Russell 2000 Growth Index. Management uses a bottom-up approach in its selection of individual securities that it believes have an above average potential for earnings growth. It may invest up to 25% of assets in foreign securities.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		22.59	22.59	-4.28	1.55	1.22	4.31	6/1995	1.63
Composition (% of Assets) as of 11/30/2010					Fees & Expenses:			# of Transfers Allowed/Time Period	
Cash	3.64	U.S. Stocks	95.16	Redemption fee:			1/30 day period		
Non-U.S. Stocks	0.49	Other	0.70	12b-1fee: -					
				Total Inv Exp Net: 1.63					
				Contractual Cap Expiration Date: N/A					
				Waiver Expiration Date: N/A					

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Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2010							
International Equity									
This asset class is comprised of investment options that invest in stocks, or shares of ownership in companies with their principal place of business or office outside the United States. These investment options often carry more risk than U.S. equity investment options but may have the potential for higher returns. They may be an appropriate choice for long-term investors who are seeking the potential for growth. All investment options in this category have the potential to lose value.									
Foreign Large Blend									
	Diversified International Separate Account ^{A,3,F} The investment option normally invests the majority of assets in companies in at least three different countries. It invests in securities of companies with their principal place of business or principal office outside of the United States; companies for which the principal securities trade on a foreign exchange; and companies, regardless of where their securities are traded, that derive 50% or more of their total revenue from goods or services produced or sold outside of the United States. The Separate Account may invest in securities of companies with small to medium market capitalizations.	YTD Ret	1- Year	3- Year	5- Year	10-Year	Since Incept	Incept Date	Total Inv Exp Gross
		13.26	13.26	-8.27	2.53	3.47	7.00	5/1987	1.78
Composition (% of Assets) as of 11/30/2010		Fees & Expenses:				# of Transfers Allowed/Time Period			
Cash	0.83 U.S. Stocks 0.06	Redemption fee:				1/30 day period			
Non-U.S. Stocks	99.12	12b-1fee: -							
		Total Inv Exp Net: 1.78							
		Contractual Cap Expiration Date: N/A							
		Waiver Expiration Date: N/A							

Returns shown for periods of less than one year are not annualized. All returns displayed here are after net Total Investment Expense of the investment option.

Insurance products and plan administrative services are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®), Des Moines, IA 50392.

For a Separate Account investment option, Total Investment Expense net equals the sum of these expenses: (a) the amount of money, expressed as a percentage, deducted for the costs of managing a separate account where applicable, fees for plan administrative services and agent compensation, plus (b) if the separate account invests in an underlying mutual fund, the total fund operating expenses of the underlying mutual fund, plus (c) if an underlying mutual fund invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual gross Total Investment Expense may change if an underlying mutual fund's allocation of assets to other mutual funds changes.

- ^A Separate Accounts available through a group annuity contract with the Principal Life Insurance Company. For more information about this investment option, including its full name, please visit The Principal Web site at www.principal.com or call 1-800-547-7754 for assistance from a retirement specialist. Certain investment options may not be available in all states or U.S. commonwealths.
- Several investment companies have decided to impose redemption fees and/or transfer restrictions on certain plan and/or participant transactions. One or more of the investment options in your employer's retirement plan may be impacted. For more information, visit The Principal Web site at www.principal.com.

These results are for the investment options available through your employer's retirement plan, and may be different from the results for other retirement plans. Past performance is not a guarantee of future results. Principal values and investment returns will fluctuate so that values upon redemption may be worth more or less than original costs. Total returns illustrated are net of investment expenses and management fees.

- Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.
- Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.
- International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.
- This investment option is not guaranteed by the Federal Deposit Insurance Corporation (FDIC), or any other government agency. Although this investment option seeks to preserve the value of an investment, it is possible to lose money by investing in this portfolio.
- S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.
- Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.
- Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks.
- Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.
- Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

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- ¹⁰ Principal Life Insurance Company may voluntarily waive a certain portion of its fees collected from the Money Market Separate Account on a temporary basis. The Total Investment Expense - Net may be lower when fees are waived.
- ¹¹ The Money Market investment option is closed to new sales and existing clients not currently offering the option within their retirement plans, effective April 1, 2009. Existing clients already offering the money market investment option within their plan can continue to have contributions directed to this investment option at this time. As of July 1, 2009 the money market investment option will be closed for any client that does not have retirement funds in the investment on that date.
- ¹² Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.
- ¹³ This Separate Account invests directly in the Institutional class shares of a Principal LifeTime Fund. The mutual fund operating expenses for each Principal LifeTime Fund are reflected in the Total Investment Expense of the Separate Account as well as the operating expenses of the underlying funds in which the Principal LifeTime Fund invests. Based on the asset allocation of the Principal LifeTime Funds as in the prospectus dated March 1, 2010, the weighted average operating expenses of the underlying funds are: Principal LifeTime Strategic Income, 0.58%; Principal LifeTime 2010, 0.68%; Principal LifeTime 2015, 0.71%; Principal LifeTime 2020, 0.73%; Principal LifeTime 2025, 0.74%; Principal LifeTime 2030, 0.76%; Principal LifeTime 2035, 0.77%; Principal LifeTime 2040, 0.78%; Principal LifeTime 2045, 0.79%; Principal LifeTime 2050, 0.79%; Principal LifeTime 2055, 0.80%. For further information on all mutual fund expenses, see the prospectus of the underlying Principal LifeTime Fund. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account.
- ¹⁴ The Investment Advisor will display "Multiple Sub-Advisors" for certain target-date or target-risk investment options where the assets are directed by the Investment Manager to multiple underlying investment options. These underlying investment options may use multiple sub-advisors who are responsible for the day-to-day management responsibilities.
- ^F Investment option limits transfer activity. Once the number of allowed transfers is met, participants are not allowed to transfer back into an investment option which they have transferred out of until the holding period elapses. All participant investment transfers and non-scheduled rebalancing activity are counted toward the number of transfers allowed. Contributions into the investment option are not impacted. Participants may still transfer out to different investment options or to money market or Guaranteed options.
- Frequent trading policies applied to Mutual Fund Network investment options may not exactly match the mutual fund's Prospectus. Principal Life works with each fund family to implement appropriate policies and guidelines. Mutual Fund Network fund families may also monitor for excessive trading and enforce limitations in addition to or in lieu of policy implemented by Principal Life Insurance Company. Please refer to the prospectus for details. See the offering documents for details on transfer limitations for investment options that are not classified as mutual funds.

Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other information is contained in the free prospectus, which can be obtained from your local representative, by visiting principal.com, or by contacting us at 800-547-7754. Please read the prospectus carefully before investing.

The value of the investment options will fluctuate so that when redeemed, shares or units may be worth more or less than the original cost.