

Principal Trust(SM) Target 2025 Fund R6 as of 09/30/2013

Investment Strategy

The investment option seeks a total return consisting of long-term growth of capital and current income. To pursue its goal, this Target Date Fund generally invests in affiliated and may invest in nonaffiliated open-ended mutual funds, insurance company separate accounts, and collective trust funds that Principal Trust considers appropriate based on the remaining time horizon of a particular Target Date Fund. Over time, Principal Trust intends to gradually shift the asset allocation targets of each Fund (other than the Principal Trust Income Fund) to accommodate investors progressing from asset accumulation years to income generation years. It is expected that within 15 years after its target year, a Fund's underlying fund allocation will match that of the Principal Trust Income Fund.

Multiple Sub-Advisors

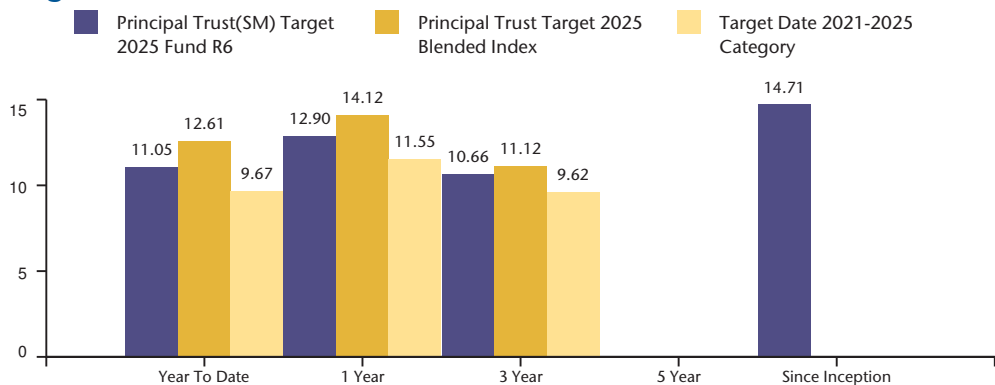
Portfolio managers

James W. Fennessey, CFA. Since 07/07/2009. B.S., Truman State University

Randy L. Welch Since 07/07/2009. M.B.A., Drake University

Jeffrey R. Tyler, CFA. Since 04/01/2012. Master, Northwestern University

Long-term returns % as of 09/30/2013



Performance disclosure

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 the most recent month-end performance, visit principal.com, contact your representative of The Principal, or call our Participant Contact Center at 1-800-547-7754.

In situations where the net and gross total investment expense figures are different or where a contractual cap and/or waiver date is given, the collective investment trust or the underlying investment options in which a collective investment trust invests have waived/capped a portion of its management fee through the date displayed in the waiver expiration date or contractual cap expiration date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are based on net total investment expense.

| Long Term Returns | Year To Date | 1 Year | 3 Year | 5 Year | Since Inception |
|---|--------------|--------|--------|--------|-----------------|
| Total Return % | 11.05 | 12.90 | 10.66 | - | 14.71 |
| Principal Trust Target 2025 Blended Index % | 12.61 | 14.12 | 11.12 | - | - |
| Target Date 2021-2025 Category % | 9.67 | 11.55 | 9.62 | 7.77 | - |
| Morningstar Percentile Rankings | - | 41 | 21 | - | - |
| # of Funds in Category | 181 | 166 | 134 | 97 | - |
| Annual Returns | 2012 | 2011 | 2010 | 2009 | 2008 |
| Total Return % | 13.34 | 0.10 | 14.88 | - | - |
| Principal Trust Target 2025 Blended Index % | 13.10 | 0.89 | 12.43 | - | - |
| Target Date 2021-2025 Category % | 13.03 | -2.06 | 13.29 | 28.32 | -34.15 |
| Morningstar Percentile Rankings | 41 | 13 | 10 | - | - |
| # of Funds in Category | 154 | 145 | 131 | 127 | 104 |

Morningstar percentile rankings are based on total returns.

Principal TrustSM Target Date Funds may invest in various types of investments, including underlying Principal Funds, and each is managed toward a particular target (retirement) date, or the approximate date an investor starts withdrawing money. As each Principal Trust Target Date Fund approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investment options and reducing exposure to typically more aggressive investment options. The asset allocation for each Principal Trust Target Date Fund is regularly re-adjusted within a time frame that extends 10-15 years beyond the target date, at which point it reaches its most conservative allocation. Principal Trust Target Date Funds assume the value of an investor's account will be withdrawn gradually during retirement. Neither the principal nor the underlying assets of the Principal Trust Target Date Funds are guaranteed at any time, including the target date. Investment risk remains at all times.

Morningstar category

Target Date 2021-2025

Risk and Return Statistics

as of 09/30/2013 Relative to Principal Trust Target 2025 Blended Index

| | 3Yr | 5Yr |
|--------------------|-------|-----|
| Alpha | -0.86 | - |
| Beta | 1.04 | - |
| R-Squared | 98.66 | - |
| Standard Deviation | 10.03 | - |
| Mean | 10.66 | - |
| Sharpe Ratio | 1.06 | - |
| Excess Return | -0.45 | - |
| Tracking Error | 1.24 | - |
| Information Ratio | -0.37 | - |

Operations

| | |
|--------------------------------|------------|
| Total Investment Expense Net | 0.75% |
| Total Investment Expense Gross | 0.75% |
| Inception Date | 07/07/2009 |
| Total Net Assets (mil) | \$794.58 |



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Risk and return statistical data is calculated by Morningstar, Inc. Excess Return is calculated by Principal Life Insurance Company.

Not FDIC or NCUA insured

May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency

Principal Trust(SM) Target 2025 Fund R6 as of 09/30/2013

Average Annual Total Returns of Underlying Options as of 09/30/2013

| Investment Option | 1 Year | 5 Year | 10 Year | Since Inception | Total Investment Expense Gross | Total Investment Expense Net | Waiver/Cap Expiration Date | Inception Date |
|--|--------|--------|---------|-----------------|--------------------------------|------------------------------|----------------------------|----------------|
| Diversified Real Asset CIT Tier 2 | - | - | - | 0.50 | 0.64 | 0.64 | N/A N/A | 05/30/2013 |
| Principal Bond Market Index Separate Account-Z | -2.05 | - | - | 4.00 | 0.15 | 0.15 | N/A N/A | 12/30/2009 |
| Principal Diversified International Inst Fund | 17.42 | 5.40 | 8.82 | 4.41 | 0.89 | 0.89 | N/A N/A | 03/01/2001* |
| Principal Global Real Estate Securities Inst Fund | 12.58 | 9.85 | - | 1.51 | 0.93 | 0.93 | 02/28/2014 02/28/2014 | 10/01/2007 |
| Principal High Yield I Inst Fund | 6.65 | 13.11 | - | 8.31 | 0.65 | 0.65 | N/A N/A | 12/29/2004 |
| Principal Inflation Protection Inst Fund | -5.62 | 2.92 | - | 1.66 | 0.40 | 0.40 | N/A N/A | 12/29/2004 |
| Principal International Emerging Markets Inst Fund | -1.11 | 5.82 | 12.70 | 11.17 | 1.25 | 1.25 | N/A N/A | 03/01/2001* |
| Principal International SmallCap Separate Account-I3 | 26.66 | 10.51 | 12.64 | 12.51 | 0.99 | 0.99 | N/A N/A | 01/01/1995 |
| Principal LargeCap S&P 500 Index Separate Account-I5 | 19.21 | 9.95 | 7.51 | 9.00 | 0.06 | 0.06 | N/A N/A | 01/01/1990 |
| Principal MidCap S&P 400 Index Separate Account-I5 | 27.51 | 12.92 | 10.77 | 9.69 | 0.06 | 0.06 | N/A N/A | 08/31/1999 |
| Principal SmallCap S&P 600 Index Separate Account-I5 | 31.33 | 12.32 | 11.11 | 10.10 | 0.06 | 0.06 | N/A N/A | 08/31/1999 |

* These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. Please see the funds' prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.

Portfolio information†

Composition as of 08/31/2013

| Asset Distribution | Asset Type | Net % | Short % | Long % |
|--------------------|-----------------|-------|---------|--------|
| | U.S. Stocks | 45.60 | 0.00 | 45.60 |
| | U.S. Bonds | 27.75 | 0.09 | 27.84 |
| | Non-U.S. Stocks | 20.93 | 0.00 | 20.93 |
| | Non-U.S. Bonds | 3.24 | 0.59 | 3.84 |
| | Cash | 1.50 | 1.14 | 2.64 |
| | Other | 0.80 | 0.13 | 0.92 |
| | Preferred | 0.18 | 0.00 | 0.18 |

Top ten holdings

| | % of net assets |
|--|-----------------|
| 1. Principal LargeCap S&P 500 Idx Sep Acct | 33.31 |
| 2. Principal Bond Market Index SP | 22.45 |
| 3. Principal Diversified Intl Inst | 12.79 |
| 4. Principal MidCap S&P 400 Index | 6.65 |
| 5. Principal High Yield Fund I Inst | 5.58 |
| 6. Principal SmallCap S&P 600 Idx Sep Acct | 4.50 |
| 7. Principal Global Real Estate Sec Inst | 3.85 |
| 8. Principal Intl Emerging Markets Inst | 3.50 |
| 9. Diversified Real Asset CIT | 2.52 |
| 10. Principal Inflation Protection Inst | 2.51 |
| % of net assets in top ten holdings | 97.65 |

Analysis

| | |
|------------------|-------------|
| # of Stock Hldgs | 0 |
| # of Bond Hldgs | 0 |
| # of Other Hldgs | 11 |
| AvgMktCap (mil) | \$22,243.27 |
| Turnover Ratio | 5% |
| P/C Ratio | 6.65 |
| P/E Ratio | 14.80 |
| P/B Ratio | 1.86 |

Stock Sector Breakdown

| | % of net assets | | % of net assets | | % of net assets |
|-------------------|-----------------|--------------------|-----------------|------------------|-----------------|
| Cyclical | 41.27 | Defensive | 21.52 | Sensitive | 37.21 |
| Consumer Cyclical | 11.98 | Healthcare | 10.09 | Technology | 13.10 |
| Basic Materials | 4.71 | Consumer Defensive | 8.36 | Industrials | 10.84 |
| Financial Svcs | 15.42 | Utilities | 3.07 | Energy | 9.28 |
| Real Estate | 9.16 | | | Comm Svcs | 3.99 |

Insurance products and plan administrative services are provided by Principal Life, Des Moines, IA 50392.

The full name of this investment option is Principal Trust(SM) Target 2025 Fund R6.

Delaware Charter Guarantee & Trust Company, conducting business as Principal TrustSM Company ("Principal Trust") is a member of the Principal Financial Group[®]. Principal Trust maintains various Collective Investment Funds, as trustee, under certain plan and declaration of trust documents, which may be amended from time to time ("Trusts"). Principal Trust has discretion over the investment of the Collective Investment Funds. Principal Management Corporation ("PMC"), an affiliate of Principal Trust, provides nondiscretionary advisory services to Principal Trust with respect to the Collective Investment Funds. Principal Trust and PMC are fiduciaries subject to the Employee Retirement Income Security Act of 1974, as amended.

PMC also manages portfolios of Principal Funds, Inc., ("Principal Funds") a series mutual fund, which may be included as underlying investments in the Collective Investment Funds maintained by Principal Trust. PMC receives management fees from Principal Funds. The Collective Investment Funds maintained by Principal Trust may also include group annuity separate accounts ("Separate Accounts") managed by Principal Life Insurance Company ("Principal Life"), an affiliate of Principal Trust. Principal Life receives management fees from the Separate Accounts. PMC, Principal Life, or other affiliates of Principal Trust may provide services with respect to Principal Funds or Separate Accounts and may receive fees for such services.

The Collective Investment Funds offered and maintained by Principal Trust are available only to qualified plans and governmental 457(b) plans. They are not mutual funds and are not registered with the Securities and Exchange Commission, the State of Delaware or any other regulatory body. The Collective Investment Funds are not guaranteed by Principal Trust, PMC, any of their affiliates, the FDIC or any other governmental agency.

The value of the Collective Investment Funds offered by Principal Trust will fluctuate so that when redeemed, shares or units may be worth more or less than the original cost. Past performance is no guarantee of future results.

Participation in the Collective Investment Funds offered by Principal Trust is governed by the terms of the applicable Trust and a Participation Agreement, which is signed by the retirement plan's fiduciary at the time the plan invests in the Collective Investment Funds. If the Collective Investment Funds invest in Principal Funds, the retirement plan's fiduciary is also provided with a Principal Funds, Inc. Institutional Class Shares Prospectus ("Prospectus") before the plan invests in the Collective Investment Funds. The Trust and Prospectus are available from Principal Trust or Principal Life by visiting us at principal.com. A copy of the Participation Agreement can be obtained from your plan administrator.

The Trust, Participation Agreement, and the Prospectus contain important information about Trust fees and investment objectives, risks, and expenses of the underlying investments in the Collective Investment Funds managed by Principal Trust and should be read carefully before investing.

Principal Trust Target 2025 Blended Index is composed of underlying indexes that represent the target asset allocation weights of the Principal Trust Target 2025 Fund. The weightings as of March 31, 2013 are 51.15% S&P 1500 Index, 18.55% MSCI EAFE Index, 30.30% Barclays Aggregate Bond Index.

Past performance is no guarantee of future results. Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Alpha - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

Average Market Cap - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

Price/Cash Flow Ratio - An investment option's current price divided by the trailing 12 month cash flow per share. **Price/Earnings Ratio** - The weighted average of the price/earnings ratios of the stocks in an investment option's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. **Price/Book Ratio** - The weighted average of the price/book ratios of all the stocks in an investment option's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

† The Portfolio Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit principal.com.

Money market investment options are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the investment option may seek to preserve the value of \$1.00 per share or unit, it is possible to lose money.

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.

Real estate investment options are subject to some risks inherent in real estate and Real Estate Investment Trusts, such as risks associated with general and local economic conditions.

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.

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. High-yield investment options are subject to greater credit risk associated with high yield bonds.

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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.

Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

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.

The Investment Advisor will display "Multiple Sub-Advisors" for certain target-date, target-risk and specialty 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.

This Principal Trust Target Date Fund indirectly bears its pro rata share of the Total Investment Expense incurred by the underlying investment options in which this fund invests. Based on the asset allocation of the Principal Trust Target Date Funds as of March 31, 2013, the weighted average operating expenses of the underlying investment options are: Principal Trust Income, 0.26%; Principal Trust Target 2010, 0.30%; Principal Trust Target 2015, 0.31%; Principal Trust Target 2020, 0.31%; Principal Trust Target 2025, 0.31%; Principal Trust Target 2030, 0.32%; Principal Trust Target 2035, 0.32%; Principal Trust Target 2040, 0.33%; Principal Trust Target 2045, 0.34%; Principal Trust Target 2050, 0.34%; Principal Trust Target 2055, 0.34%. This fund may invest in underlying mutual funds. For more information on the underlying funds and their expenses, see the prospectus for those funds.