

Principal Financial Advisors, Inc.



Investment Advisory Report City of Hallandale Beach Retirement Plan



Contract No. 4-45661

October 01, 2010 - December 31, 2010

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Principal Financial Advisors, Inc. Overview

Making informed and effective asset allocation decisions may be one of the most important – and challenging – endeavors an employer undertakes for their retirement plan. This decision is key in determining whether the plan will meet its long-term investment goals and objectives. At the Principal Financial Group® (The Principal®), we understand the challenges and pressures employers face as a retirement plan sponsor, including the selection of optimal investment options.

For over 20 years, Principal Financial Advisors, Inc., a registered investment advisor and a member company of the Principal Financial Group®, has been providing asset allocation solutions for clients. As of September 30, 2010, we manage more than \$5.5 billion in assets overall and have nearly 400 clients using our advisory services for retirement plans.

Our mission is to provide high quality investment advisory and consulting services to help clients meet their goals and objectives by offering premier investment managers and customized asset allocation solutions.

The investment advisory services of Principal Financial Advisors, Inc., are consistent with the following core beliefs:

- 1) Strategic asset allocation decisions are key determinants of investor success.
- 2) Liability analysis and plan sponsor attributes dictate asset allocation decisions for defined benefit plans.
- 3) Diversification by asset class, style, and manager is the primary tool for limiting investment risk.
- 4) Value is added through manager selection.

Principal Financial Advisors, Inc., provides:

- 1) Benefits of the Principal Due Diligence ProgramSM provided by Principal Life Insurance Company.
- 2) Asset liability analysis for defined benefit plans and scenarios to help meet your plan's goals.
- 3) Assumption of fiduciary responsibility for asset allocation decisions.*
- 4) Experienced investment personnel.
- 5) Comprehensive reporting and top-tier client service.

Principal Financial Advisors, Inc., focuses on long-term asset allocation strategies with the goal of providing optimal return and risk scenarios to help meet your defined benefit plan's goals.

* The plan sponsor remains the named fiduciary of the plan, but Principal Financial Advisors, Inc., has been selected as the plan's investment advisor.

Portfolio and Strategic Asset Allocation Review

Investment Review - Allocation 10/01/2010 through 12/31/2010					
Investment Advisor	Investment Option	Beginning Balance	Breakdown %	Ending Balance	Breakdown %
Large U.S. Equity					
Large Value					
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	\$1,346,676	4.66%	\$1,464,226	4.64%
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	\$2,480,527	8.59%	\$2,726,688	8.64%
Large Blend					
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	\$1,700,117	5.89%	\$1,777,805	5.64%
Large Growth					
Columbus Circle Investors	LargeCap Growth Separate Account-R6	\$2,031,664	7.03%	\$2,090,716	6.63%
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	\$2,080,977	7.21%	\$2,056,090	6.52%
Small/Mid U.S. Equity					
Mid Cap Value					
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	\$489,830	1.70%	\$486,869	1.54%
Mid Cap Growth					
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	\$490,138	1.70%	\$482,011	1.53%
Small Value					
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	\$473,490	1.64%	\$486,123	1.54%
Small Growth					
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	\$479,007	1.66%	\$481,344	1.53%
International Equity					
Diversified Emerging Markets					
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	\$402,075	1.39%	\$397,146	1.26%
Foreign Large Value					
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	\$958,061	3.32%	\$1,953,425	6.19%
Foreign Large Blend					
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	\$1,007,539	3.49%	\$1,301,559	4.13%
Foreign Large Growth					
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	\$1,004,007	3.48%	\$0	0.00%
Real Estate					
Owned Real Estate					
Principal Real Estate Inv	U.S. Property Separate Account-R6 ³⁶	\$1,049,420	3.63%	\$1,098,542	3.48%
Real Estate					
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	\$536,877	1.86%	\$499,209	1.58%

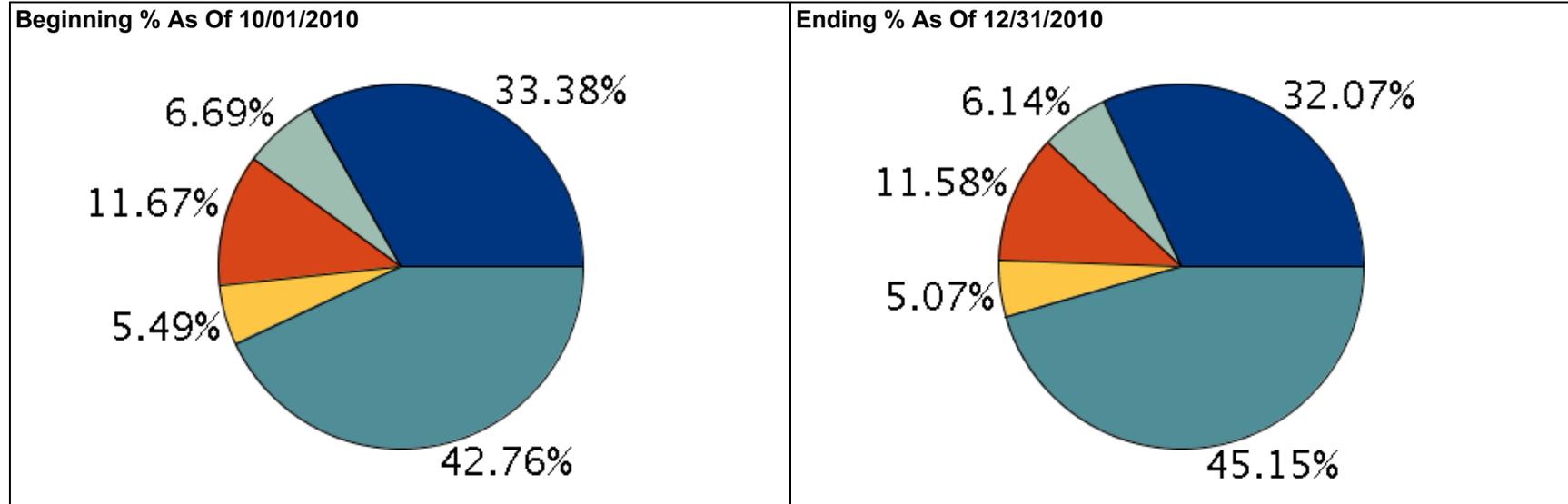
Portfolio and Strategic Asset Allocation Review

Investment Review - Allocation 10/01/2010 through 12/31/2010					
Investment Advisor	Investment Option	Beginning Balance	Breakdown %	Ending Balance	Breakdown %
Fixed Income					
High Yield Bond					
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	\$1,765,966	6.11%	\$1,713,170	5.43%
Intermediate-Term Bond					
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	\$5,124,379	17.74%	\$5,212,892	16.53%
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	\$3,401,733	11.78%	\$5,206,448	16.51%
Inflation-Protected Bond					
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	\$2,057,361	7.12%	\$2,109,999	6.69%
TOTAL		\$28,879,844	100%	\$31,544,262	100%

Please see important disclosures at the end of this presentation.

Portfolio and Strategic Asset Allocation Review

Asset Class Breakdown



- Large U.S. Equity
- Small/Mid U.S. Equity
- International Equity
- Real Estate
- Fixed Income

Portfolio and Strategic Asset Allocation Review

The table below illustrates the plan's target allocation for future contributions at the beginning and end of the reporting period.

Your plan's assets and liabilities are reviewed periodically during the year and we make changes as needed. We will continue to monitor your plan and adjust its allocation as necessary.

Target Allocation 10/01/2010 through 12/31/2010			
Investment Advisor	Investment Option	Beginning Allocation	Ending Allocation
	Large U.S. Equity	31.30%	31.30%
	Large Value		
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	4.50%	4.50%
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	8.40%	8.40%
	Large Blend		
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	5.50%	5.50%
	Large Growth		
Columbus Circle Investors	LargeCap Growth Separate Account-R6	6.50%	6.50%
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	6.40%	6.40%
	Small/Mid U.S. Equity	6.00%	6.00%
	Mid Cap Value		
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	1.50%	1.50%
	Mid Cap Growth		
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	1.50%	1.50%
	Small Value		
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	1.50%	1.50%
	Small Growth		
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	1.50%	1.50%
	International Equity	11.20%	11.20%
	Diversified Emerging Markets		
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	1.20%	1.20%
	Foreign Large Value		
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	3.30%	6.00%
	Foreign Large Blend		
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	3.40%	4.00%
	Foreign Large Growth		
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	3.30%	0.00%

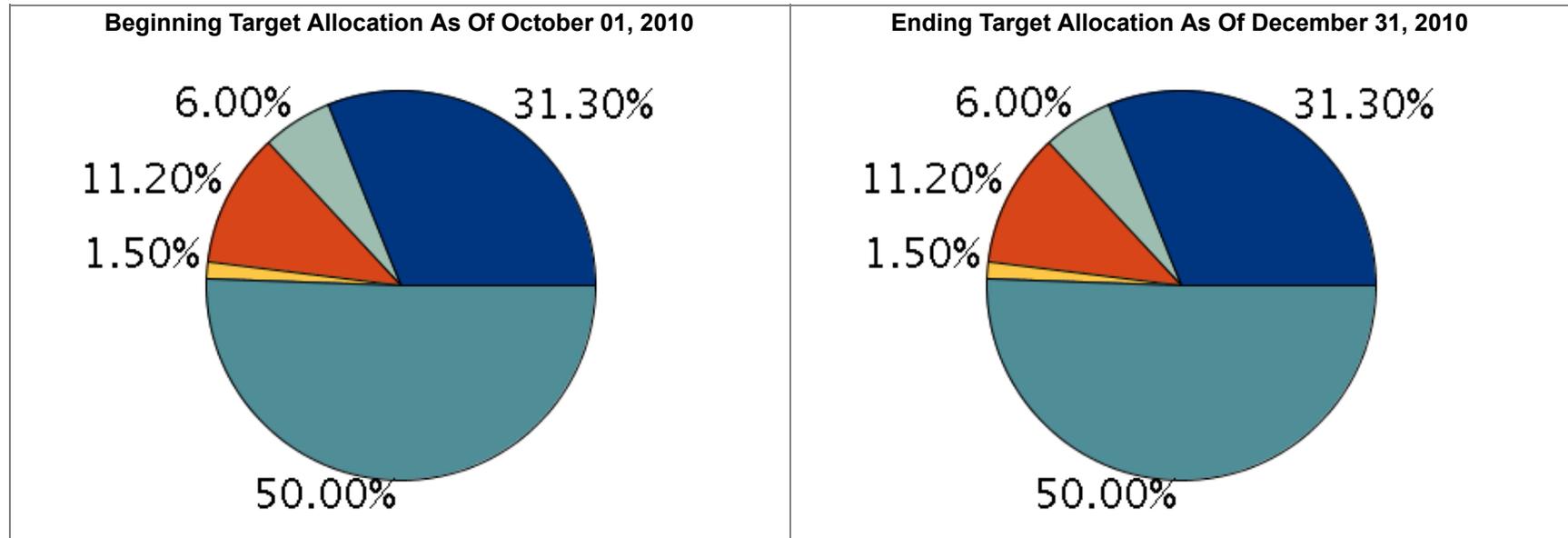
Portfolio and Strategic Asset Allocation Review

Target Allocation 10/01/2010 through 12/31/2010			
Investment Advisor	Investment Option	Beginning Allocation	Ending Allocation
	Real Estate	1.50%	1.50%
	Real Estate		
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	1.50%	1.50%
	Fixed Income	50.00%	50.00%
	High Yield Bond		
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	5.30%	5.30%
	Intermediate-Term Bond		
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	19.00%	19.00%
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	19.10%	19.10%
	Inflation-Protected Bond		
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	6.60%	6.60%

Please see important disclosures at the end of this presentation.

Portfolio and Strategic Asset Allocation Review

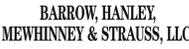
Please note that a slight variance between your plan's target allocation displayed in this report and its weightings is normal. This variance is due to changes in your account values caused by fluctuations in the market. We periodically initiate rebalancing transfers to bring the plan's assets back to its target allocation.



- Large U.S. Equity
- Small/Mid U.S. Equity
- International Equity
- Real Estate
- Fixed Income

Portfolio and Strategic Asset Allocation Review

This section of your report includes all investment options with plan assets as of the end of the reporting period.

Large U.S. Equity		
Large Value	Large Blend	Large Growth
<p>LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}</p>   <p>LargeCap Value I Separate Account-R6 ^{13, 28, 32}</p>  	<p>LargeCap S&P 500 Index Separate Account-R6 ^{2, 8 ++}</p>	<p>LargeCap Growth Separate Account-R6</p>  <p>LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}</p>  
Small/Mid U.S. Equity		
Mid Cap Value	Mid Cap Blend	Mid Cap Growth
<p>MidCap Value III Separate Account-R6 ¹</p>  		<p>MidCap Growth III Separate Account-R6 ^{1, 11, 28}</p>   
Small Value	Small Blend	Small Growth
<p>SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}</p>   		<p>SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}</p>  

Portfolio and Strategic Asset Allocation Review

International Equity	Real Estate	Balanced/Asset Allocation
<p>International Value I Separate Account-R6 ^{4, 13, 28, 34}</p>  <p>International I Separate Account-R6 ^{4, 13, 16, 28, 33}</p>  <p>International Emerging Markets Separate Account-R6 ⁴</p> <p>International Growth Separate Account-R6 ^{3, 4}</p> 	<p>Real Estate Securities Separate Account-R6 ^{3, 7}</p> <p>U.S. Property Separate Account-R6 ³⁶</p> <p>Principal Real Estate Investors</p>	
Short-Term Fixed Income	Fixed Income	
	<p>Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}</p>  <p>High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}</p>  <p>Core Plus Bond I Separate Account-R6 ^{13, 15, 18}</p>  <p>Bond and Mortgage Separate Account-I2 ^{15, 18}</p> 	

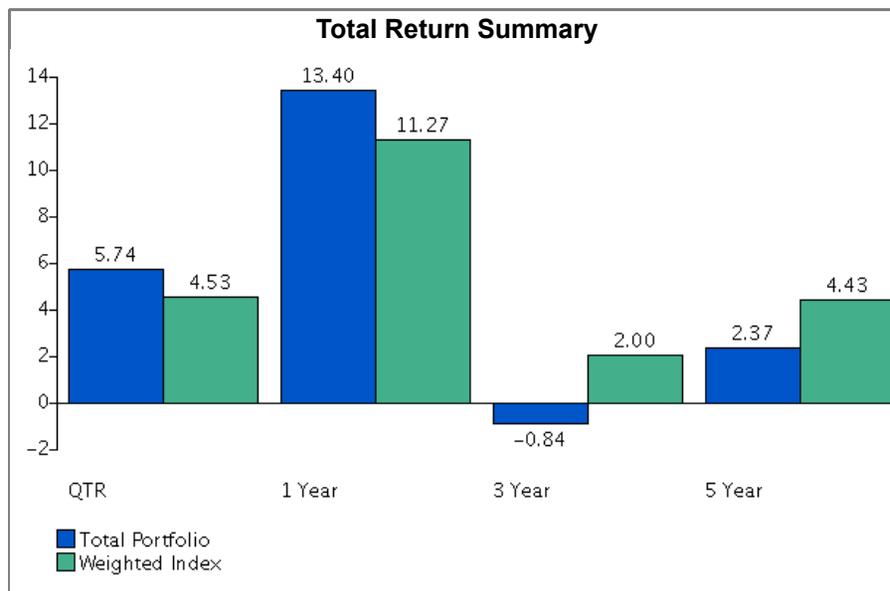
Please see important disclosures at the end of this presentation.

Portfolio Performance Review

Time & Dollar Weighted Rates of Return December 31, 2010

Time & Dollar Weighted Returns	QTR	1 Year	3 Year	5 Year
Total Portfolio Return	5.74	13.40	-0.84	2.37
Weighted Index	4.53	11.27	2.00	4.43
Excess Return	1.21	2.13	-2.84	-2.06

Asset Class Return Information	QTR	1 Year	3 Year	5 Year
Your Plan's U.S. Equity Return	11.88	17.46	-1.47	2.15
Russell 3000 Index	11.59	16.93	-2.01	2.74
Your Plan's International Equity Return	7.15	11.21	-5.08	2.67
MSCI - EAFE Index NDTR D	6.61	7.75	-7.02	2.46
Your Plan's Real Estate Return	5.00	18.71	-7.03	0.49
Blended Real Estate Index	-	-	-	-
Your Plan's Fixed Income Return	-0.27	9.52	2.17	2.74
Barclays Capital Aggregate Bond Index	-1.30	6.54	5.90	5.80



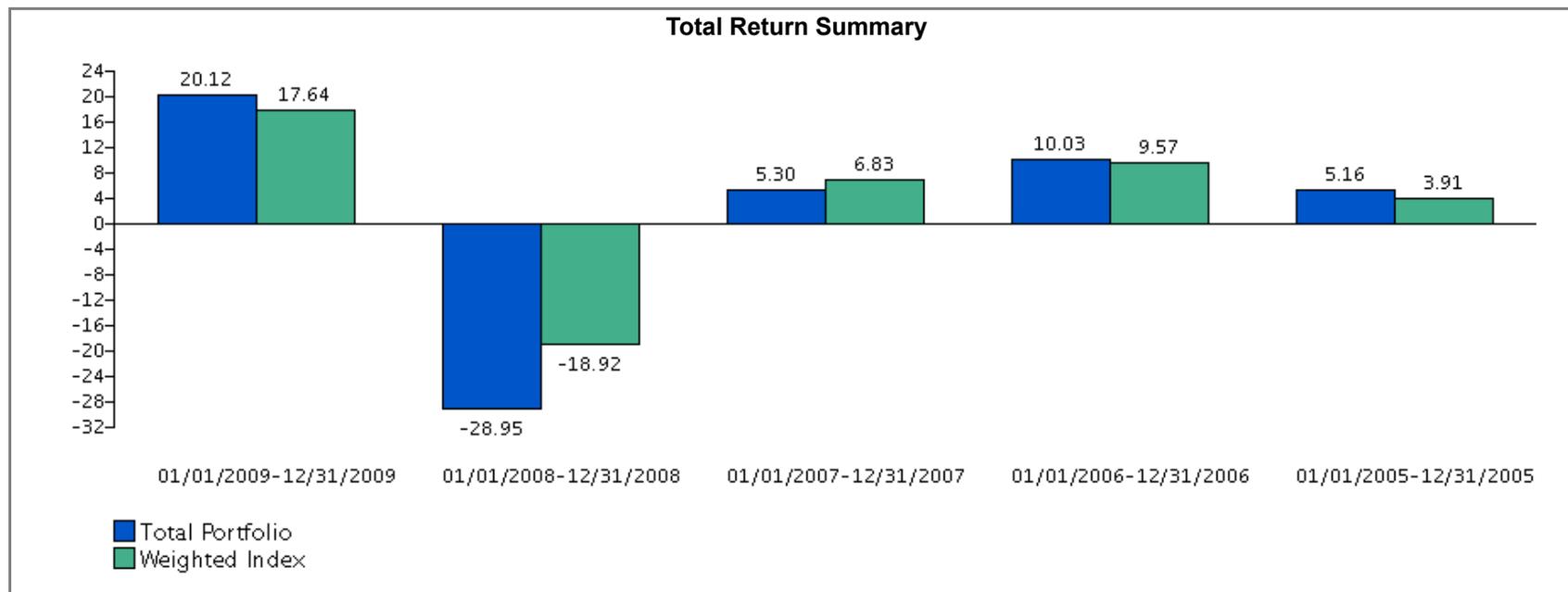
We calculated performance of your plan assets with information provided to us by Principal Life Insurance Company from your December 31, 2010 Contractholder Fund Statement.

Please see important disclosures at the end of this presentation.

Portfolio Performance Review

Calendar Year Rates of Return

Time & Dollar Weighted Returns	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Total Portfolio Return	20.12	-28.95	5.30	10.03	5.16
Weighted Index	17.64	-18.92	6.83	9.57	3.91
Excess Return	2.48	-10.03	-1.53	0.46	1.25



Asset Class Return Information	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Your Plan's U.S. Equity Return	29.34	-39.67	3.81	15.25	6.80
Russell 3000 Index	28.34	-37.31	5.14	15.72	6.12
Your Plan's International Equity Return	31.59	-46.06	17.15	27.27	19.14
MSCI - EAFE Index NDTR D	31.78	-43.38	11.17	26.34	13.54
Your Plan's Real Estate Return	-18.38	-16.84	7.33	20.70	17.18
Blended Real Estate Index	-17.85	-14.71	6.67	20.46	17.45
Your Plan's Fixed Income Return	16.36	-15.06	3.31	3.66	2.67
Barclays Capital Aggregate Bond Index	5.93	5.24	6.97	4.33	2.43

Investment Option Performance

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.

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 invests. Returns displayed are always based on net total investment expense.

For more performance information, including most recent month-end performance, visit the Principal Sponsor Service Center SM at www.principal.com, contact your representative of the Principal Financial Group® (The Principal®), or call our Client Contact Center at 1-800-547-7754.

Investment Advisor	Investment Option	Rates of Return through 12/31/2010							Percentile Rankings as of 12/31/2010					Total Inv. Expense Gross	
		YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	YTD	1 yr.	3 yr.	5 yr.	10 yr.		
Large U.S. Equity															
Large Value															
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	12.83	12.83	-7.45	-1.50	2.52	2.52	12/29/2000	-	58	91	91	60	0.94	
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	11.29	11.29	-6.18	-0.45	-	2.78	06/01/2004	-	81	84	83	-	0.95	
	Russell 1000 Value Index	15.51	15.51	-4.42	1.28	3.26	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Large Value	13.66	13.66	-3.83	1.43	3.07	Total Funds in Category	1240	1240	1120	956	502	-		
Large Blend															
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	14.68	14.68	-3.11	2.01	1.08	8.16	01/01/1990	-	36	49	50	57	0.31	
	Standard & Poor's 500 Index	15.06	15.06	-2.86	2.29	1.41	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Large Blend	14.01	14.01	-3.15	1.98	1.64	Total Funds in Category	2010	2010	1753	1457	802	-		
Large Growth															
Columbus Circle Investors	LargeCap Growth Separate Account-R6	18.59	18.59	-4.88	3.03	-0.56	6.15	06/01/1995	-	23	80	43	66	0.71	
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	19.72	19.72	2.56	4.33	1.07	1.06	12/29/2000	-	16	6	21	35	0.81	
	Russell 1000 Growth Index	16.71	16.71	-0.47	3.75	0.02	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Large Growth	15.53	15.53	-2.34	2.77	0.30	Total Funds in Category	1718	1718	1504	1286	787	-		
Small/Mid U.S. Equity															
Mid Cap Value															
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	20.46	20.46	0.14	2.98	6.50	10.09	01/01/1991	-	67	55	66	60	0.81	
	Russell Midcap Value Index	24.75	24.75	1.01	4.08	8.07	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Mid Cap Value	21.92	21.92	0.75	3.80	7.07	Total Funds in Category	420	420	360	286	98	-		
Mid Cap Growth															
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	27.27	27.27	-1.76	4.62	1.20	3.75	10/28/1999	-	34	62	53	71	1.15	
	Russell Midcap Growth Index	26.38	26.38	0.97	4.88	3.12	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Mid Cap Growth	24.61	24.61	-0.48	4.58	2.96	Total Funds in Category	759	759	677	594	392	-		

Investment Option Performance

Investment Advisor	Investment Option	Rates of Return through 12/31/2010							Percentile Rankings as of 12/31/2010					Total Inv. Expense Gross	
		YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	YTD	1 yr.	3 yr.	5 yr.	10 yr.		
Small Value															
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	27.26	27.26	1.86	2.95	-	5.77	06/01/2004	-	34	73	69	-	1.25	
	Russell 2000 Value Index	24.50	24.50	2.19	3.52	8.42	-	-	-	-	-	-	-	-	
	Morningstar Category Average - Small Value	26.17	26.17	3.92	4.22	9.40	Total Funds in Category	342	342	307	241	135	-		
Small Growth															
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	27.76	27.76	-1.13	2.12	1.38	1.38	12/29/2000	-	43	66	79	82	1.18	
	Russell 2000 Growth Index	29.09	29.09	2.18	5.30	3.78	-	-	-	-	-	-	-		
	Morningstar Category Average - Small Growth	26.98	26.98	0.47	4.24	3.88	Total Funds in Category	758	758	670	563	341	-		
International Equity															
Diversified Emerging Markets															
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	18.61	18.61	-3.35	11.76	15.26	11.62	01/01/1995	-	45	69	33	47	1.51	
	MSCI - Emerging Markets NDTR D Index	18.88	18.88	-0.32	12.78	15.89	-	-	-	-	-	-	-		
	Morningstar Category Average - Diversified Emerging Markets	19.26	19.26	-2.11	11.01	14.92	Total Funds in Category	386	386	273	207	131	-		
Foreign Large Value															
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	8.02	8.02	-	-	-	8.73	09/30/2008	-	43	-	-	-	1.30	
	MSCI EAFE Value Index	3.25	3.25	-8.15	1.37	4.19	-	-	-	-	-	-	-		
	Morningstar Category Average - Foreign Large Value	7.48	7.48	-7.48	2.04	4.41	Total Funds in Category	364	364	286	217	128	-		
Foreign Large Blend															
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	10.53	10.53	-8.29	2.32	3.27	3.46	07/01/1999	-	46	70	54	42	1.29	
	MSCI - EAFE Index NDTR D	7.75	7.75	-7.02	2.46	3.50	-	-	-	-	-	-	-		
	Morningstar Category Average - Foreign Large Blend	10.24	10.24	-6.78	2.69	3.13	Total Funds in Category	829	829	694	511	289	-		
Foreign Large Growth															
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	12.07	12.07	-9.85	0.43	3.48	3.47	12/29/2000	-	77	90	93	56	1.17	
	MSCI World Ex US Growth Index	13.06	13.06	-5.50	3.99	3.08	-	-	-	-	-	-	-		
	Morningstar Category Average - Foreign Large Growth	14.78	14.78	-5.38	4.14	4.05	Total Funds in Category	261	261	209	162	89	-		
Real Estate															
Owned Real Estate															
Principal Real Estate Inv	U.S. Property Separate Account-R6 ³⁶	15.93	15.93	-11.71	-2.11	3.68	5.68	01/01/1982	-	-	-	-	-	1.15	
	NFI-ODCE Equal-Weight	-	-	-	-	-	-	-	-	-	-	-	-		

Investment Option Performance

Investment Advisor	Investment Option	Rates of Return through 12/31/2010						Percentile Rankings as of 12/31/2010						Total Inv. Expense Gross
		YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception	Inception Date	YTD	1 yr.	3 yr.	5 yr.	10 yr.	
	Real Estate													
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	25.06	25.06	2.33	3.70	-	12.39	12/31/2002	-	77	16	16	10	1.15
	MSCI US REIT Index	28.48	28.48	0.82	2.99	10.57	-	-	-	-	-	-	-	-
	Morningstar Category Average - Real Estate	27.08	27.08	-0.04	1.88	9.64	Total Funds in Category		267	267	245	211	108	-
	Short-Term Fixed Income													
	Money Market													
Principal Global Investors	Money Market Separate Account-R6 ^{6, 22, 24}	0.03	0.03	0.87	2.39	2.18	5.56	12/10/1980	-	-	-	-	-	0.56
	Barclays Capital Treasury Bellwethers 3 Month Index	0.15	0.15	0.87	2.50	2.42	-	-	-	-	-	-	-	-
	Morningstar Category Average - Money Market	0.04	0.04	0.74	2.25	2.02	Total Funds in Category		986	986	908	825	614	-
	Fixed Income													
	High Yield Bond													
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	14.81	14.81	11.92	9.30	-	8.38	12/31/2004	-	32	3	3	-	0.81
	Barclays Capital US Corp High Yld 2% Issuer Capped Index	14.94	14.94	10.59	8.91	9.01	-	-	-	-	-	-	-	-
	Morningstar Category Average - High Yield Bond	14.24	14.24	7.11	6.57	6.95	Total Funds in Category		574	574	512	434	291	-
	Intermediate-Term Bond													
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	6.82	6.82	-	-	-	8.74	09/30/2008	-	65	-	-	-	0.76
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	11.77	11.77	5.78	5.18	5.69	8.52	02/01/1983	-	3	52	57	35	0.55
	General Investment Account	-	-	-	-	-	-	06/15/1941	-	-	-	-	-	-
	Barclays Capital Aggregate Bond Index	6.54	6.54	5.90	5.80	5.84	-	-	-	-	-	-	-	-
	Morningstar Category Average - Intermediate-Term Bond	7.72	7.72	5.49	5.15	5.37	Total Funds in Category		1164	1164	1026	878	560	-
	Inflation-Protected Bond													
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	6.99	6.99	-2.26	-0.20	-	0.21	12/31/2004	-	15	94	94	-	0.57
	Barclays Capital US Treas TIPS Index	6.31	6.31	4.97	5.33	7.02	-	-	-	-	-	-	-	-
	Morningstar Category Average - Inflation-Protected Bond	5.94	5.94	3.98	4.38	5.93	Total Funds in Category		162	162	152	125	17	-

This section of your report includes all investment options with plan assets as of the end of the reporting period.

Please see important disclosures at the end of this presentation.

Calendar Year Performance Report

For performance information, including most recent month-end performance, visit the Principal Sponsor Service CenterSM at www.principal.com, contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.

Investment Advisor	Investment Option	Calendar Year Performance										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Large U.S. Equity												
Large Value												
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	12.83	18.88	-40.90	-3.91	21.72	5.18	13.18	27.48	-13.58	5.52	12/29/2000
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	11.29	22.35	-39.34	0.31	18.01	9.75	-	-	-	-	06/01/2004
	Russell 1000 Value Index	15.51	19.69	-36.85	-0.17	22.25	7.05	16.49	30.03	-15.52	-5.59	-
	Morningstar Category Average - Large Value	13.66	24.13	-37.09	1.42	18.15	5.95	12.97	28.44	-18.69	-4.99	-
	Total Funds in Category	1240	1272	1433	1432	1371	1296	1220	1050	961	892	-
Large Blend												
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	14.68	26.09	-37.10	5.18	15.46	4.58	10.49	28.18	-22.38	-12.34	01/01/1990
	Standard & Poor's 500 Index	15.06	26.46	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	-11.89	-
	Morningstar Category Average - Large Blend	14.01	28.17	-37.79	6.16	14.17	5.88	10.02	27.05	-22.25	-13.50	-
	Total Funds in Category	2010	2027	2086	2090	1980	1743	1611	1526	1468	1345	-
Large Growth												
Columbus Circle Investors	LargeCap Growth Separate Account-R6	18.59	26.95	-42.84	23.02	9.67	11.82	9.16	25.98	-28.87	-25.55	06/01/1995
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	19.72	51.92	-40.69	8.18	5.93	7.44	9.12	24.01	-27.76	-14.36	12/29/2000
	Russell 1000 Growth Index	16.71	37.21	-38.44	11.81	9.07	5.26	6.30	29.75	-27.88	-20.42	-
	Morningstar Category Average - Large Growth	15.53	35.68	-40.67	13.35	7.05	6.71	7.81	28.66	-27.64	-22.30	-
	Total Funds in Category	1718	1796	1809	1748	1642	1495	1400	1311	1234	1064	-
Small/Mid U.S. Equity												
Mid Cap Value												
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	20.46	30.11	-35.92	-0.59	16.00	13.15	16.34	29.08	-7.99	3.63	01/01/1991
	Russell Midcap Value Index	24.75	34.21	-38.44	-1.42	20.22	12.65	23.71	38.07	-9.64	2.33	-
	Morningstar Category Average - Mid Cap Value	21.92	35.41	-36.77	0.83	15.87	8.82	17.85	33.85	-13.25	6.67	-
	Total Funds in Category	420	416	442	405	375	310	320	331	311	261	-
Mid Cap Growth												
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	27.27	44.81	-48.56	24.40	6.26	11.59	11.41	49.44	-32.65	-28.17	10/28/1999
	Russell Midcap Growth Index	26.38	46.29	-44.32	11.43	10.66	12.10	15.48	42.71	-27.41	-20.15	-
	Morningstar Category Average - Mid Cap Growth	24.61	39.11	-43.77	15.09	9.00	9.84	13.23	35.96	-27.24	-19.98	-
	Total Funds in Category	759	812	934	967	994	936	903	890	786	714	-

Calendar Year Performance Report

Investment Advisor	Investment Option	Calendar Year Performance										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Small Value												
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	27.26	32.13	-37.14	-9.11	20.37	6.85	-	-	-	-	06/01/2004
	Russell 2000 Value Index	24.50	20.58	-28.92	-9.78	23.48	4.71	22.25	46.03	-11.43	14.02	-
	Morningstar Category Average - Small Value	26.17	31.32	-32.24	-6.08	16.27	6.40	21.14	42.38	-10.12	15.92	
	Total Funds in Category	342	370	438	438	389	348	307	303	273	261	
Small Growth												
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	27.76	31.14	-42.31	5.64	8.79	6.88	11.00	45.09	-24.62	-20.42	12/29/2000
	Russell 2000 Growth Index	29.09	34.47	-38.54	7.05	13.35	4.15	14.31	48.54	-30.26	-9.23	-
	Morningstar Category Average - Small Growth	26.98	35.46	-41.55	7.59	10.81	6.02	12.41	45.54	-27.88	-8.91	
	Total Funds in Category	758	778	834	829	763	723	711	696	630	560	
International Equity												
Diversified Emerging Markets												
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	18.61	68.87	-54.93	41.60	36.36	35.09	25.63	58.03	-7.18	-4.68	01/01/1995
	MSCI - Emerging Markets NDTR D Index	18.88	78.51	-53.33	39.39	32.17	34.00	25.55	55.82	-6.17	-2.62	-
	Morningstar Category Average - Diversified Emerging Markets	19.26	73.81	-54.44	36.68	32.06	31.54	23.54	55.19	-6.05	-3.83	
	Total Funds in Category	386	367	312	274	242	212	202	196	184	175	
Foreign Large Value												
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	8.02	26.68	-	-	-	-	-	-	-	-	09/30/2008
	MSCI EAFE Value Index	3.25	34.23	-44.09	5.96	30.38	13.80	24.33	45.30	-15.91	-18.52	-
	Morningstar Category Average - Foreign Large Value	7.48	30.33	-42.41	9.01	25.98	13.19	21.99	39.07	-12.37	-15.98	
	Total Funds in Category	364	340	307	280	215	181	169	156	154	130	
Foreign Large Blend												
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	10.53	25.40	-44.35	15.06	26.36	13.40	18.44	44.11	-20.25	-20.29	07/01/1999
	MSCI - EAFE Index NDTR D	7.75	31.78	-43.38	11.17	26.34	13.54	20.25	38.59	-15.94	-21.44	-
	MSCI - EAFE Index NDTR D	7.75	31.78	-43.38	11.17	26.34	13.54	20.25	38.59	-15.94	-21.44	-
	Morningstar Category Average - Foreign Large Blend	10.24	31.24	-43.99	12.71	24.77	14.72	17.39	33.58	-16.69	-21.67	
	Total Funds in Category	829	823	778	743	657	608	551	504	482	439	
Foreign Large Growth												
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	12.07	23.40	-47.02	12.32	24.16	22.14	22.64	38.97	-16.18	-21.06	12/29/2000
	MSCI World Ex US Growth Index	13.06	30.66	-42.88	18.03	22.12	14.41	16.27	32.99	-15.72	-25.33	-
	Morningstar Category Average - Foreign Large Growth	14.78	38.02	-46.56	16.26	23.95	15.23	16.23	33.83	-19.15	-24.05	
	Total Funds in Category	261	266	251	220	243	213	221	226	214	191	

Calendar Year Performance Report

Investment Advisor	Investment Option	Calendar Year Performance										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Real Estate												
Owned Real Estate												
Principal Real Estate Inv	U.S. Property Separate Account-R6 ³⁶	15.93	-31.59	-13.23	13.42	15.14	18.61	12.52	8.26	3.77	6.56	01/01/1982
	NFI-ODCE Equal-Weight	-	-31.30	-	-	-	-	-	-	-	-	-
Real Estate												
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	25.06	27.56	-32.82	-17.73	36.03	15.28	33.69	37.83	-	-	12/31/2002
	MSCI US REIT Index	28.48	28.61	-37.97	-16.82	35.92	12.13	31.49	36.74	3.64	12.83	-
	Morningstar Category Average - Real Estate	27.08	31.26	-39.55	-14.66	33.58	11.51	32.02	36.80	4.54	10.00	
	Total Funds in Category	267	262	265	372	306	279	252	206	168	152	
Short-Term Fixed Income												
Money Market												
Principal Global Investors	Money Market Separate Account-R6 ^{6, 22, 24}	0.03	0.19	2.42	4.86	4.55	2.72	0.87	0.76	1.45	4.06	12/10/1980
	Barclays Capital Treasury Bellwethers 3 Month Index	0.15	0.23	2.24	5.11	4.87	3.07	1.30	1.14	1.78	4.46	-
	Morningstar Category Average - Money Market	0.04	0.17	2.00	4.63	4.42	2.59	0.78	0.60	1.22	3.60	
	Total Funds in Category	986	1005	1054	1015	1001	960	965	932	868	823	
Fixed Income												
High Yield Bond												
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	14.81	52.86	-20.12	2.37	8.71	3.91	-	-	-	-	12/31/2004
	Barclays Capital US Corp High Yld 2% Issuer Capped Index	14.94	58.76	-25.88	2.27	10.76	2.76	11.14	28.78	-0.24	5.46	-
	Morningstar Category Average - High Yield Bond	14.24	46.70	-26.41	1.47	10.14	2.59	9.99	24.36	-1.52	2.39	
	Total Funds in Category	574	543	559	542	549	518	493	455	425	414	
Intermediate-Term Bond												
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	6.82	6.76	-	-	-	-	-	-	-	-	09/30/2008
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	11.77	21.81	-13.06	3.83	4.72	2.64	5.02	5.21	9.91	8.40	02/01/1983
	General Investment Account	-	18.04	-7.06	4.74	3.42	2.30	6.82	7.51	11.64	8.87	06/15/1941
	Barclays Capital Aggregate Bond Index	6.54	5.93	5.24	6.97	4.33	2.43	4.34	4.10	10.26	8.44	-
	Barclays Capital Aggregate Bond Index	6.54	5.93	5.24	6.97	4.33	2.43	4.34	4.10	10.26	8.44	-
	Morningstar Category Average - Intermediate-Term Bond	7.72	13.97	-4.70	4.70	4.15	1.80	3.91	5.10	8.04	7.64	
	Total Funds in Category	1164	1123	1135	1097	1092	1043	1035	952	784	706	

Calendar Year Performance Report

Investment Advisor	Investment Option	Calendar Year Performance										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
	Inflation-Protected Bond											
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	6.99	6.42	-18.00	5.77	0.27	2.28	-	-	-	-	12/31/2004
	Barclays Capital US Treas TIPS Index	6.31	11.41	-2.35	11.64	0.41	2.84	8.46	8.40	16.57	7.90	-
	Morningstar Category Average - Inflation-Protected Bond	5.94	10.88	-4.08	9.86	0.09	2.09	7.48	7.15	14.81	7.27	
	Total Funds in Category	162	158	160	156	140	109	69	44	18	15	

Please see important disclosures at the end of this presentation.

Calendar Year Percentile Ranks

For performance information, including most recent month-end performance, visit the Principal Sponsor Service CenterSM at www.principal.com, contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.

Investment Advisor	Investment Option	Calendar Year Percentile Ranks										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
	Large U.S. Equity											
	Large Value											
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	58	74	80	85	10	55	45	52	13	7	12/29/2000
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	81	55	70	61	53	16	-	-	-	-	06/01/2004
	Large Blend											
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	36	59	40	55	29	64	43	33	48	46	01/01/1990
	Large Growth											
Columbus Circle Investors	LargeCap Growth Separate Account-R6	23	83	71	9	25	14	36	59	59	68	06/01/1995
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	16	6	51	75	63	40	37	75	51	19	12/29/2000
	Small/Mid U.S. Equity											
	Mid Cap Value											
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	67	68	41	65	46	9	55	70	18	60	01/01/1991
	Mid Cap Growth											
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	34	31	80	12	69	37	65	5	78	74	10/28/1999
	Small Value											
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	34	36	81	71	15	50	-	-	-	-	06/01/2004
	Small Growth											
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	43	65	57	58	63	42	60	44	35	82	12/29/2000
	International Equity											
	Diversified Emerging Markets											
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	45	64	55	20	17	29	34	27	59	62	01/01/1995
	Foreign Large Value											
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	43	67	-	-	-	-	-	-	-	-	09/30/2008
	Foreign Large Blend											
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	46	80	55	27	30	62	37	3	86	39	07/01/1999
	Foreign Large Growth											
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	77	90	50	80	39	8	8	24	24	27	12/29/2000
	Real Estate											
	Owned Real Estate											
Principal Real Estate Inv	U.S. Property Separate Account-R6 ³⁶	-	-	-	-	-	-	-	-	-	-	01/01/1982
	Real Estate											
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	77	66	5	70	30	16	36	32	-	-	12/31/2002

Calendar Year Percentile Ranks

Investment Advisor	Investment Option	Calendar Year Percentile Ranks										Inception Date
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
	Short-Term Fixed Income											
	Money Market											
Principal Global Investors	Money Market Separate Account-R6 ^{6, 22, 24}	-	-	-	-	-	-	-	-	-	-	12/10/1980
	Fixed Income											
	High Yield Bond											
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	32	24	14	34	81	15	-	-	-	-	12/31/2004
	Intermediate-Term Bond											
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	65	85	-	-	-	-	-	-	-	-	09/30/2008
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	3	11	89	78	19	9	14	34	16	25	02/01/1983
	General Investment Account	-	-	-	-	-	-	-	-	-	-	06/15/1941
	Inflation-Protected Bond											
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	15	94	93	90	27	37	-	-	-	-	12/31/2004

Please see important disclosures at the end of this presentation.

Disclosures

Separate Accounts are available through a group annuity contract with the Principal Life Insurance Company. Insurance products and plan administrative services are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392. See the group annuity contract for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths.

+ This is not a sub-advised investment option. Guarantees are backed by all the assets in the Principal Life general account.

++ Investment options sub-advised by Principal Global Investors.

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This report includes investment options that contain information from a variety of sources. A primary source is Morningstar which provides holdings information, operations data, and rankings or statistics proprietary to Morningstar. Morningstar is generally the source of information on mutual funds unaffiliated with the Principal.

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- 1. 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.*
- 2. 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.*
- 3. This Separate Account invests solely in the Institutional class shares of the Principal Funds. 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. For further information on the underlying mutual fund, see the prospectus of the fund.*
- 4. 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.*
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- 6. 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.*
- 7. 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.*
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13. *This Separate Account invests solely in the Institutional class shares of the Principal Funds. 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. For further information on the underlying mutual fund, see the prospectus of the fund.*
14. *From March 1, 2006, to December 31, 2007, Bank of New York served as a sub-advisor for managing the cash portion of this investment option.*
15. *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.*
16. *Effective March 31, 2007, references to Fidelity Management & Research as investment advisor were replaced with Fidelity (Pyramis Global Adv). This is a name change only and does not affect the management, objective, or strategy of this investment option.*
17. *Effective January 2, 2008, this portfolio is co-sub-advised by JP Morgan and Neuberger Berman Fixed Income LLC (formerly named Lehman Brothers Asset Management). Prior to January 2, 2008 Post Advisory Group was a third sub-advisor for this portfolio. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
18. *Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.*
19. *Effective July 15, 2008, Westwood Management Corp. was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
20. *Effective December 31, 2008, this portfolio is sub-advised by BlackRock Financial Management, Inc. Prior to December 31, 2008, the portfolio was sub-advised by Principal Global Investors.*
22. *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.*
23. *This investment option maintains a voluntary waiver which is reflected in the value displayed for Total Investment Expense - Net. This waiver may be discontinued at any time.*
24. *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.*
26. *Effective May 1, 2009, LA Capital was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
28. *This Separate Account invests solely in the Institutional class share of a mutual fund (Fund) from Principal Funds, Inc. The manager of the Fund, Principal Management Corporation, invests between 10% and 40% of the Fund's assets in common stocks in an attempt to match or exceed the performance of the Fund's benchmark index for performance.*

29. Effective June 26, 2009, this portfolio is sub-advised by Emerald Advisors and Essex. Prior to June 26, 2009, the portfolio was sub-advised by UBS Global Asset Management, Emerald Advisors and Essex. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

30. Effective July 14, 2009, Brown Advisory was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

32. Effective October 1, 2009, TS&W was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

33. Effective January 11, 2010, Schroders was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

34. Effective August 10, 2010, this portfolio is sub-advised by Causeway and Barrow Hanley. Prior to August 10, 2010, the portfolio was sub-advised by AXA Rosenberg and Causeway. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

36. This investment option is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. If you elect to contribute funds into the U.S. Property Separate Account, you may not be able to immediately withdraw them.

Benchmark Descriptions

Barclays Capital Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U. S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Barclays Capital Treasury Bellwethers 3 Month Index is composed of public obligations of the U. S. Treasury with a maturity of three months.

Barclays Capital US Corp High Yld 2% Issuer Capped Index is an unmanaged in ex comprised of fixed rate, non-investment grade debt securities that are dollar denominated. The index limits the maximum exposure to any one issuer to 2%.

Barclays Capital US Treas TIPS Index consists of inflation-protected securities issued by the U.S. Treasury.

Blended Real Estate Index is composed of 75% NFI-ODCE Equal-Weight and 25% MSCI US REIT Index. The NFI-ODCE Equal-Weight is the NCREIF Fund Index- Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and Leverage. The return series is net of the average fee charged by accounts that make up the index. The MSCI US REIT Index is a capitalization-weighted benchmark index of most actively traded Real Estate Investment Trusts (REITs), designed to measure real estate performance.

MSCI - EAFE Index NDTR D is listed for foreign stock funds (EAFE refers to Europe, Australia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes.

MSCI - Emerging Markets NDTR D Index measures equity market performance in the global emerging markets. It consists of 26 emerging market countries in Europe, Latin America and the Pacific Basin.

MSCI EAFE Value Index is a subset of the MSCI EAFE Index, which is an unmanaged index that measures the stock returns of companies in developed economies outside of North America. The MSCI EAFE Value Index consists of securities classified by MSCI as most representing the value style.

MSCI US REIT Index is a capitalization-weighted benchmark index of most actively traded Real Estate Investment Trusts (REITs), designed to measure real estate performance.

NFI-ODCE Equal-Weight is the NCREIF Fund Index - Open End Diversified Core Equity. It is a fund-level equal-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage. The return series is net of the average fee charged by accounts that make up the index.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

Russell 2000 Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.

Russell Midcap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap index having lower price-to-book ratios and lower forecasted growth values.

Standard & Poor's 500 Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

The MSCI World Ex US Growth Index measures global developed market equity performance of growth securities outside of the United States. It is comprised of half the securities in the MSCI World Ex US Index, with half of the market capitalization of each country index in the Growth Index (the other half is in the Value Index).

Weighted Index is composed of:

1/01/2006 - 05/31/2006 26% Russell 3000 Index, 4% MSCI EAFE Index, and 70% Barclays Capital Aggregate Bond Index.

06/01/2006 - 12/31/2010 37.9% Russell 3000 Index, 12.1% MSCI EAFE Index, and 50% Barclays Capital Aggregate Bond Index.