



Investment Performance for CITY OF JONESBORO, ARKANSAS 4-49993

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.

| Rates of Return through 07/31/2009 | | | | | | | | | | |
|------------------------------------|---|-------|--------|--------|-------|--------|-----------------|----------------|--------------------------|--|
| Investment Advisor | Investment Option | YTD | 1 yr. | 3 yr. | 5 yr. | 10 yr. | Since Inception | Inception Date | Total Inv. Expense Gross | |
| Large U.S. Equity | | | | | | | | | | |
| Large Value | | | | | | | | | | |
| AllianceBernstein / Westwood | LargeCap Value III Separate Account-R6 ^{3, 18, 24, 36, 48} | 5.53 | -23.24 | -12.25 | -3.19 | - | 0.11 | 12/29/2000 | 0.93 | |
| UBS Global Asset Mgmt (NY) | LargeCap Value I Separate Account-R6 ^{16, 48} | 8.30 | -23.70 | -10.07 | -1.02 | - | -0.93 | 06/01/2004 | 0.95 | |
| | Russell 1000 Value Index | 5.08 | -22.94 | -9.47 | -0.29 | 0.94 | - | - | | |
| Large Blend | | | | | | | | | | |
| Goldman Sachs Asset Mgt | LargeCap Blend I Separate Account-R6 ¹¹ | 8.02 | -21.18 | -8.26 | -1.09 | -3.53 | 3.87 | 06/01/1995 | 0.76 | |
| | Standard & Poor's 500 Index | 10.97 | -19.96 | -6.16 | -0.14 | -1.19 | - | - | | |
| Large Growth | | | | | | | | | | |
| Columbus Circle Investors | LargeCap Growth Separate Account-R6 ²⁶ | 11.55 | -27.30 | -4.48 | 1.30 | -2.79 | 4.55 | 06/01/1995 | 0.71 | |
| T. Rowe Price/Brown Advisory | LargeCap Growth I Separate Account-R6 ^{3, 48, 50} | 30.13 | -14.46 | -1.81 | 1.51 | - | -2.63 | 12/29/2000 | 0.88 | |
| | Russell 1000 Growth Index | 19.45 | -17.57 | -2.64 | 0.70 | -3.21 | - | - | | |
| Small/Mid U.S. Equity | | | | | | | | | | |
| Mid Cap Value | | | | | | | | | | |
| Principal Global/Barrow Hanley | MidCap Value III Separate Account-R6 ^{1, 14, 28} | 12.67 | -19.32 | -7.04 | 1.76 | 2.69 | 8.95 | 01/01/1991 | 0.81 | |
| | Russell Midcap Value Index | 13.32 | -22.81 | -8.07 | 2.01 | 5.24 | - | - | | |
| Mid Cap Growth | | | | | | | | | | |
| Turner/Mellon/Jacobs Levy | MidCap Growth III Separate Account-R6 ^{1, 13, 30, 48} | 23.71 | -25.49 | -5.02 | 2.20 | - | 0.13 | 10/28/1999 | 1.15 | |
| | Russell Midcap Growth Index | 25.81 | -21.87 | -4.41 | 2.48 | 1.11 | - | - | | |
| Small Value | | | | | | | | | | |
| DFA/Vaughan Nelson/LA Capital | SmallCap Value II Separate Account-R6 ^{1, 16, 41, 44, 48} | 14.97 | -18.42 | -9.33 | -0.07 | - | -0.20 | 06/01/2004 | 1.23 | |
| JP Morgan/Mellon Capital Mgmt | SmallCap Value I Separate Account-R6 ^{1, 3, 17, 48} | 3.90 | -24.14 | -10.60 | -1.09 | - | 6.13 | 12/31/2002 | 1.20 | |
| | Russell 2000 Value Index | 5.79 | -20.67 | -8.38 | 0.83 | 6.41 | - | - | | |
| Small Growth | | | | | | | | | | |
| Emerald / Essex | SmallCap Growth II Separate Account-R6 ^{1, 3, 48, 49} | 15.47 | -25.74 | -8.73 | -0.66 | - | -2.70 | 12/29/2000 | 1.17 | |
| | Russell 2000 Growth Index | 19.99 | -20.86 | -3.82 | 2.06 | 0.17 | - | - | | |
| Real Estate | | | | | | | | | | |
| Principal Real Estate Inv | Real Estate Securities Separate Account-R6 ^{3, 8} | -3.34 | -34.95 | -15.12 | 0.95 | - | 6.81 | 12/31/2002 | 1.15 | |
| | MSCI US REIT Index | -3.11 | -39.66 | -16.69 | -1.07 | 6.71 | - | - | | |

| Rates of Return through 07/31/2009 | | | | | | | | | |
|------------------------------------|--|--------|--------|-------|-------|--------|-----------------|----------------|--------------------------|
| Investment Advisor | Investment Option | YTD | 1 yr. | 3 yr. | 5 yr. | 10 yr. | Since Inception | Inception Date | Total Inv. Expense Gross |
| | International Equity | | | | | | | | |
| | Diversified Emerging Markets | | | | | | | | |
| Principal Global Investors | International Emerging Markets Separate Account-R6 4 | 42.95 | -22.51 | 3.67 | 17.36 | 10.60 | 10.24 | 01/01/1995 | 1.51 |
| | MSCI - Emerging Markets NDTR D Index | - | - | - | - | - | - | - | |
| | Foreign Large Value | | | | | | | | |
| AXA Rosenberg/Causeway | International Value I Separate Account-R6 4, 16, 48 | 14.43 | - | - | - | - | 0.99 | 09/30/2008 | 1.34 |
| | MSCI EAFE Value Index | 20.19 | -19.73 | -6.26 | 4.78 | 3.31 | - | - | |
| | Foreign Large Blend | | | | | | | | |
| Fidelity (Pyramis Global Adv) | International I Separate Account-R6 4, 16, 21, 33, 48 | 12.90 | -27.30 | -6.31 | 4.16 | 1.61 | 1.87 | 07/01/1999 | 1.27 |
| | MSCI - EAFE Index NDTR D | 17.81 | -22.60 | -5.57 | 4.80 | 1.75 | - | - | |
| | Foreign Large Growth | | | | | | | | |
| Principal Global Investors | International Growth Separate Account-R6 3, 4 | 10.00 | -33.82 | -9.99 | 3.48 | - | 1.32 | 12/29/2000 | 1.18 |
| | MSCI World Ex US Growth Index | 16.74 | -25.65 | -4.34 | 5.39 | 0.49 | - | - | |
| | Short-Term Fixed Income | | | | | | | | |
| | GIC | | | | | | | | |
| | Guaranteed Interest Account 2 year + | 1.00 | 1.95 | 3.35 | 3.41 | 3.57 | - | 06/15/1941 | |
| | Money Market | | | | | | | | |
| Principal Global Investors | Money Market Separate Account-R6 7, 40, 42 | 0.18 | 0.93 | 3.14 | 3.04 | 3.00 | 5.84 | 12/10/1980 | 0.56 |
| | 7-Day Simple Yield as of 07/31/2009 is 0.00 *** | - | - | - | - | - | - | | |
| | Barclays Capital Treasury Bellwethers 3 Month Index | - | - | - | - | - | - | - | |
| | Fixed Income | | | | | | | | |
| | High Yield Bond | | | | | | | | |
| JP Morgan/Neuberger Berman | High Yield I Separate Account-R6 5, 16, 20, 22, 23, 35 | 34.26 | 8.85 | 5.03 | - | - | 4.81 | 12/31/2004 | 0.82 |
| | Barclays Capital US Corp High Yld 2% Issuer Capped Index | - | - | - | - | - | - | - | |
| | Intermediate-Term Bond | | | | | | | | |
| PIMCO | Core Plus Bond I Separate Account-R6 16, 20, 23 | 3.57 | - | - | - | - | 9.71 | 09/30/2008 | 0.87 |
| Principal Global Investors | Bond and Mortgage Separate Account-R6 20, 23 | 13.49 | 2.24 | 2.04 | 2.50 | 4.91 | 8.08 | 02/01/1983 | 0.71 |
| Spectrum | Preferred Securities Separate Account-R6 3, 20, 23 | 30.02 | 4.50 | -0.74 | 0.97 | - | 2.62 | 05/31/2002 | 0.90 |
| | Barclays Capital Aggregate Bond Index | 3.54 | 7.85 | 6.52 | 5.14 | 6.19 | - | - | |
| | Preferreds Blended Index | - | - | - | - | - | - | - | |
| | Inflation-Protected Bond | | | | | | | | |
| BlackRock Financial Mgmt, Inc. | Inflation Protection Separate Account-R6 16, 20, 23, 37 | 1.17 | -13.19 | -4.10 | - | - | -2.27 | 12/31/2004 | 0.58 |
| | Barclays Capital US Treas TIPS Index | 6.29 | -0.53 | 5.23 | 4.76 | 7.25 | - | - | |
| | Owned Real Estate | | | | | | | | |
| Principal Real Estate Inv | U.S. Property Separate Account-R6 6 | -22.29 | -32.41 | -6.76 | 2.22 | 5.07 | 5.90 | 01/01/1982 | 1.15 |
| | NCREIF Open End Benchmark | - | - | - | - | - | - | - | |

Must be accompanied by disclosures on the following page.

Disclosures

This information must be accompanied by performance results for 1, 5, and 10 year/since inception time periods as of the most recent calendar quarter end.

Foundation Investment Options include Separate Accounts 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 foundation option. Guarantees are backed by all the assets in the Principal Life general account.*

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

**** The 7-Day Simple Yield % more closely reflects the current earnings of this money market investment option than the total return displayed.*

Separate Accounts are made available through a group annuity contract with the Principal Life Insurance Company, Des Moines, IA 50392. They may not be available in all states. Ask your representative for more details.

A surrender charge may apply to withdrawals or transfers from an unmaturred guaranteed interest account. Results shown for guaranteed accounts are average annual guaranteed interest rates.

For a Separate Account investment option, Total Investment Expense gross 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 funds invests in other mutual funds, the weighted-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual Total Investment Expense may change if an underlying mutual fund's allocation of assets to other mutual funds changes.

Any operating expenses of a mutual fund or underlying mutual fund that are part of net Total Investment Expense are obtained from the mutual fund's most recent prospectus. The operating expenses shown as part of net Total Investment Expense include voluntary expense limits and fee credit.

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.

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.

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

6. 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. Payment of principal and earnings may be delayed.

7. 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.

8. 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.

11. *Effective November 13, 2006, this portfolio is sub-advised by Goldman Sachs Asset Management. From November 18, 2002, to November 16, 2006, the portfolio was sub-advised by Goldman Sachs Asset Management and Wellington Management Company, LLP. 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.*
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 holder investing in the Separate Account. For further information on the underlying mutual fund see the prospectus of the fund.*
14. *Effective July 12, 2005, Barrow Hanley was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
16. *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.*
17. *Effective August 8, 2005, Mellon Capital Management was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
18. *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.*
20. *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.*
21. *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.*
22. *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.*
23. *Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.*
24. *Formerly known as Large-Cap Value Separate Account.*
26. *Formerly known as Large Company Growth Separate Account.*
28. *Formerly known as Medium Company Value Separate Account.*
30. *Formerly known as Mid-Cap Growth Separate Account.*
33. *Formerly known as International Separate Account.*
35. *Formerly known as High Yield Separate Account.*
36. *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.*
37. *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.*
40. *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.*

41. 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.

42. 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 option on that date.

44. 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.

48. 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.

49. 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.

50. 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.

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 Government Mortgage Index represents a combination of the Barclays Capital Government Index and the Barclays Capital Mortgage Backed Securities Index.

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

Blended Real Estate Index is composed of 75% NCREIF Open End Index and 25% MSCI US REIT Index. The NCREIF Open-end Benchmark is the open-end fund component of the NCREIF Property Index that consists of U.S. commercial real estate properties that have been acquired, at least in part, on behalf of tax-exempt institutions and are held in a fiduciary environment. The universe of properties includes wholly owned and joint venture investments, operating properties only (no development projects) and investment grade (no-agricultural) income-producing properties in the Multi-family, Industrial, Office and Retail sectors. 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.

MSCI World Ex US Small Cap Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. It offers an exhaustive representation of the Small Cap segment by targeting companies that are in the Investable Market Index but not in the Standard Index in a particular market.

NCREIF Open End Benchmark is the open-end fund component of the NCREIF Property Index that consists of U.S. commercial real estate properties that have been acquired, at least in part, on behalf of tax-exempt institutions and are held in a fiduciary environment. The universe of properties includes wholly owned and joint venture investments, operating properties only (no development projects) and investment grade (no-agricultural) income-producing properties in the Multi-family, Industrial, Office and Retail sectors.

Preferreds Blended Index is composed of 65% Merrill Lynch Fixed Rate Preferred Securities Index and 35% Barclays Capital U.S. Tier I Capital Securities 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.

Standard & Poor's 600 Stock Index is a small cap index that consists of 600 domestic stocks chosen for market size, liquidity, and industry group representation.

Standard and Poor's 400 Midcap Stock Index includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.

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).

Glossary of Terms

7 Day Yield - The 7-Day Simple Yield % more closely reflects the current earnings of this money market investment option than the total return displayed.

Total Investment Expense Gross - The maximum expense ratio that can be applied to an investment option. This includes expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment option, except brokerage costs.

Inception Date - Date on which the investment option began its operations.

Investment Advisor - A company employed by the investment option's advisor to handle the investment option's day-to-day management. In these instances, the portfolio manager generally works for the fund's subadvisor, and not the advisor.