

Principal MidCap Blend Inst

Overall Morningstar Rating™

★★★★★

Out of 380 Mid-Cap Blend funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Strategy from investment's prospectus

The investment seeks long-term growth of capital.

The fund invests primarily in common stocks and other equity securities of medium-capitalization companies. It normally invests at least 80% of net assets in companies with market capitalizations similar to those of companies in the Russell Midcap® Index. Management's security 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.

Past name(s): Principal Inv MidCap Blend Instl.

Category Description: Mid-Cap Blend

The typical mid-cap blend fund invests in stocks of various sizes and mixed characteristics, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price-conscious that they land in value territory.

Broad Asset Class: Mid Cap Stocks

Shares of ownership in mid-sized corporations.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement and a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional or your plan's website and should be read carefully before investing or sending money.

Morningstar ratings reflect the reduction of the fund's expense ratio. However, your plan may charge an administrative fee and/or plan-level fee, which is not reflected in this rating.

To determine a fund's star rating for a given period, the fund's Morningstar risk score is subtracted from its Morningstar return score. If the fund scores in the top 10% of its respective Morningstar category, it receives five stars; if it falls in the next 22.5%, it receives four stars; a place in the middle 35% earns it three stars; those in the next 22.5% receive two stars; and the bottom 10% get one star.

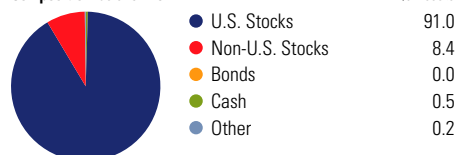
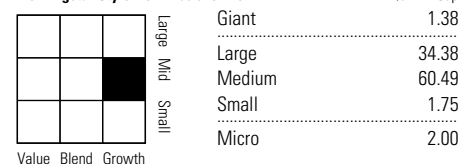
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against loss in a declining market.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★★★	★★★★★	★★★★★
Fund Rank Percentile	28	24	31	7	13
Out of # of Investments	454	429	380	304	185

Portfolio Analysis as of 02-28-11

Composition as of 02-28-11

Morningstar Style Box™ as of 02-28-11

Top 15 Holdings as of 02-28-11

Company	% Assets
Liberty Capital Corp A	3.54
O'Reilly Automotive, Inc.	2.99
Iron Mountain, Inc.	2.73
Loews Corporation	2.68
Laboratory Corporation of America Holdings	2.23
EOG Resources	2.15
Markel Corporation	2.14
Brookfield Asset Management, Inc. A	2.10
DISH Network Corporation Class A	2.10
Franco-Nevada Corporation	1.97
Williams Companies, Inc.	1.93
TJX Companies	1.78
Newmont Mining Corporation	1.76
Covanta Holding Corporation	1.74
Liberty Global, Inc. A	1.72
Total Number of Stock Holdings	97
Total Number of Bond Holdings	0
Annual Turnover Ratio %	27
Total Fund Assets (\$mil)	1,603.19

Operations

Fund Inception Date	03-01-01
Initial Share Class	12-06-00
Inception Date	
Advisor	Principal Management Corp
Subadvisor	Principal Global Investors, LLC

Fees and Expenses as of 03-14-11

Gross Prosp Exp Ratio	0.66%
Net Prosp Exp Ratio	0.66%

Waiver Data	Type	Exp. Date	%
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Portfolio Manager(s)

K. William Nolin, CFA. B.B.A., University of Iowa. M.B.A., Yale University. Since 2000.

Statistics as of 02-28-11

Statistic	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	17.27	1.23	1.12
P/B Ratio	1.70	0.81	0.86
P/C Ratio	9.29	1.28	1.25
GeoAvgCap (\$mil)	8,344.90	0.17	1.49

Risk Measures as of 03-31-11

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	21.86	1.00	0.84
3 Yr Beta	0.96	—	0.86
3 Yr Sharpe Ratio	0.46	2.30	1.28
3 Yr Alpha	6.01	—	1.35
3 Yr R-squared	91.50	—	1.02

Morningstar Sectors as of 02-28-11

Sector	% Fund	S&P 500 %
Cyclical	46.54	28.50
Basic Materials	4.63	2.96
Consumer Cyclical	17.68	9.25
Financial Services	19.83	14.67
Real Estate	4.40	1.62
Sensitive	32.96	46.85
Communication Services	6.67	4.25
Energy	9.32	13.01
Industrials	12.32	12.93
Technology	4.65	16.66
Defensive	20.50	24.65
Consumer Defensive	5.20	10.73
Healthcare	10.50	10.79
Utilities	4.80	3.13

Volatility Analysis


In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.