

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 28109 / December 27, 2007

In the Matter of	:
	:
Principal High Yield Fund, Inc.	:
711 High Street	:
Des Moines, Iowa 50392-2080	:
	:
(811-05175)	:

ORDER UNDER SECTION 8(f) OF THE INVESTMENT COMPANY ACT OF 1940
DECLARING THAT APPLICANT HAS CEASED TO BE AN INVESTMENT
COMPANY

Principal High Yield Fund, Inc. ("Applicant"), a management company registered under the Investment Company Act of 1940 ("Act"), filed an application on August 9, 2007, and amended the application on November 14, 2007, under Section 8(f) of the Act, requesting an order declaring that it has ceased to be an investment company as defined by the Act.

On November 30, 2007, a notice of filing of the application was issued (Investment Company Act Release No. 28069). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, based on the information set forth in the application, that the Applicant has ceased to be an investment company. Accordingly,

IT IS ORDERED, pursuant to Section 8(f) of the Act, that the Applicant's registration under the Act shall immediately cease to be in effect.

For the Commission, by the Division of Investment Management, under delegated authority.

Nancy M. Morris
Secretary