

Important Notes:

1. Principal Asia Pacific High Income Bond Fund invests primarily in a portfolio of high grade and high yield bonds (investment grade bonds and non-investment grade high yield bonds) and other fixed and floating rate instruments issued by governments, government agencies, supranational organizations, corporate or other issuers in Asia Pacific.
2. The Fund invests in debt securities located in emerging markets. Such investments carry market, credit, liquidity, currency, regulatory and other associated risks that can cause portfolio values to be very volatile.
3. The Fund may invest in currency forwards, financial futures, options or other derivative instruments or structured investments such as asset backed securities which may involve additional risks including market, counterparty or default risks, exposing the Fund to losses.
4. Investment involves risk. There is no assurance on investment returns and your investments may suffer significant loss.
5. The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
6. You should not invest solely in reliance on this marketing material alone. You should read the Explanatory Memorandum of Principal Global Selection Fund Series for further details (including investment policy, risk factors, fees and charges, and fund information).

Principal Global Selection Fund Series

Principal Asia Pacific High Income Bond Fund



Capture the growth potential of the Asian bond markets
Enjoy potential stable income* and capital growth through
investment in a portfolio of high grade and high yield bonds

2007 Annualized 2nd Half Dividend Yield	: 5.30%**[^]
2008 Total Dividend Yield	: 7.41%**[^]
2009 Total Dividend Yield	: 7.89%**[^]

[^] A positive dividend yield does not imply a positive return for the Fund.

PRINCIPAL ASIA PACIFIC HIGH INCOME BOND FUND OBJECTIVES

- The Principal Asia Pacific High Income Bond Fund seeks to provide a return of capital growth and high level of income primarily through investment in a portfolio of high grade and high yield bonds (investment grade bonds and non-investment grade high yield bonds) and other fixed and floating rate instruments issued by governments, government agencies, supranational organizations, corporate or other issuers in Asia Pacific.

WHY PRINCIPAL ASIA PACIFIC HIGH INCOME BOND FUND?

- Provides an opportunity to earn potential stable income* from bond investments.
- Exposure to the Asia-Pacific corporate sector that is likely to benefit from the Asian economic growth.
- Access to a diversified portfolio of high grade and high yield bonds (investment grade bonds and non-investment grade bonds), with the potential to earn capital growth and regular coupon income*.
- Competitive Management Fee, only 1% per annum.
- Supported by an experienced Asian fixed income research team.

PRINCIPAL ASIA PACIFIC HIGH INCOME BOND FUND IS SUITABLE FOR INVESTORS SEEKING...

- Diversification of investment risks away from higher risk asset classes like equities
- Diversification into Asian credit exposures within existing fixed income portfolios
- Medium to long-term capital appreciation potential in addition to recurring dividend yield

Top Ten Holdings ^{^^}	Type	Country	Percentage
United States Treasury Note/Bond-4.5% 15/05/2038	Bond	United States	13.76%
Bank of Queensland Ltd-5.5% 22/10/2012	Bond	Australia	6.32%
Commonwealth Bank of Australia-5.75% 17/12/2013	Bond	Australia	6.24%
ING Bank (Australia) Ltd-5.75% 24/06/2014	Bond	Australia	6.22%
Australian Government Bond-5.25% 15/03/2019	Bond	Australia	6.20%
New South Wales Treasury Corp-6% 01/05/2023	Bond	Australia	6.07%
Kazkommerts Intl BV-8% 03/11/2015	Bond	Kazakhstan	5.94%
Multiplex Sites Trust	Preferred Security	Australia	5.46%
Anglo Irish Bank Corp Ltd-Float 20/01/2010	Bond	Ireland	5.41%
GT 2005 Bonds BV - 5.00% 21/07/2014	Bond	Indonesia	5.31%

Portfolio Breakdown^{^^}



Australia Preferred Securities	16.2%
Australia Bonds	31.1%
China Bonds	8.1%
Indonesia Bonds	7.3%
Ireland Bonds	5.4%
Kazakhstan Bonds	5.9%
United States Bonds	13.8%
Cash	12.2%

Fund Details

Launch Date:	25 June 2007
Currency:	USD
Minimum Initial Investment:	USD2,000
Fund Manager:	Principal Asset Management Company (Asia) Limited
Initial Charge:	up to 5%
Management Fee:	1% per annum
Redemption Fee:	0%
Financial Year-end:	30 September
Dividend Payment*:	Quarterly
Risk Profile:	High

^{^^} Figures as of 31 December 2009

Principal Asset Management Company (Asia) Limited

Principal Asia Pacific High Income Bond Fund is managed by Principal Asset Management Company (Asia) Limited. It is a member company of the Principal Financial Group[®] (NYSE: PFG), a Fortune 500 company listed on the New York Stock Exchange and a member of the Standard & Poor's (S&P) 500 Index. Serving some 18.9 million^{^^} customers worldwide with a large spectrum of financial products and services through operations in 12 countries around the globe, the Principal Financial Group has US\$284.7 billion^{^^} in assets under management. Principal Asset Management Company (Asia) Limited is devoted to providing reliable and quality asset management services and our team of professional fund managers is committed to optimizing the return potential to our clients.

^{^^} Figures as of 31 December 2009

For more details, please contact distributors or call Principal's enquiry hotline on (852) 2117-8383 or email to investors-asia@principal.com

Note:

*The Fund aims to provide stable quarterly dividend income, but subject to the sole and absolute discretion of the Fund Manager and is not guaranteed. **Source: Principal Asset Management Company (Asia) Limited. The current dividend payout policy aims at distributing a dividend quarterly (i.e. 31 March, 30 June, 30 September & 31 December) (if applicable), but subject to the sole and absolute discretion of the Fund Manager and is not guaranteed. This policy generates a higher dividend, but with a lower net asset value after dividend payout as comparing with the policy of paying out dividends after deducting the related fees & expenses. A positive dividend yield does not imply a positive return for the Fund. The 2007 annualized 2nd half dividend yield (annualized yield) is for indicative purpose only. The amount of dividend is not guaranteed and subject to Fund Manager's discretion. Annualized yield equals $(1 + 2nd\ half\ dividend\ rate)^2 - 1$, and is based on the net asset value calculated on 25 June 2007. The rate in 2008 dividend yield is based on the net asset value calculated on 2 January 2008. The rate in 2009 dividend yield is based on the net asset value calculated on 2 January 2009.

Issuer of this material: Principal Asset Management Company (Asia) Limited

Note: Investment involves risks and past performance is not indicative of future performance. The value of the Fund may go up or down. Please refer to the offering document of "Principal Global Selection Fund Series" for further details (including investment policy, risk factors, fees and charges and fund information). Investors are advised to read and understand the contents of the offering documents before investing. This material has not been reviewed by the Securities and Futures Commission.