

### Important Notes

- I. The Principal Asian Equity Fund will invest primarily in the equity securities of companies domiciled or with their core business in the Asian Region (excluding Japan), which the Adviser believes are mispriced by the market and have the potential for significant growth.
- II. The Fund invests in a single region. Compared with a well-diversified fund, its concentration risk is relatively high and hence it might be more volatile than a well-diversified fund.
- III. Investment involves risk. There is no assurance on investment returns and your investments may suffer significant loss.
- IV. 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.
- V. You should not invest solely in reliance on this marketing material alone. You should read the Prospectus and the relevant Supplement(s) before investing including the Special Investment Considerations and Risks section of the Prospectus.

### INVESTMENT OBJECTIVE

The Principal Global Investors Funds **Asian Equity Fund** aims to provide capital growth over the medium to long term predominantly through investment in Asian (excluding Japan) equities that we believe are mispriced by the market and have potential for significant growth.

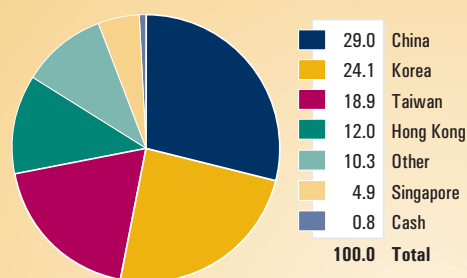
### Why Invest in the Asian Equity Fund?

The **Asian Equity Fund** offers investors:

- The opportunity to invest in countries that should experience faster long-term rates of growth than most developed economies.
- Access to companies that are very competitive in international markets due to low labour costs, currency depreciation and the transfer of technology from companies in the developed world.
- The ability to take advantage of long-term growth in per capita incomes and rising consumption levels throughout the region.

### What Were the Fund's Investments as at 31 January 2010?\*

#### Geographical Allocation (%)



#### GICS Sector Allocations (%)

Financials	33.7
Information Technology	21.0
Industrials	10.8
Materials	8.2
Energy	8.0
Consumer Discretionary	7.2
Telecommunications	5.7
Utilities	2.4
Consumer Staples	2.2
Cash	0.8
<b>Total</b>	<b>100.0</b>

#### Top 10 Holdings

Security	Country	Sector	%
Samsung	South Korea	Information Technology	4.8
Taiwan Semiconductor Mfg	Taiwan	Information Technology	3.0
China Mobile	China	Telecommunication Services	2.7
China Construction Bank	China	Financials	2.5
Hon Hai Precision Industry	Taiwan	Information Technology	2.5
POSCO	South Korea	Materials	2.5
Industrial & Commercial BoC	China	Financials	2.2
Bank of China	China	Financials	2.0
PetroChina	China	Energy	1.9
China Life Insurance	China	Financials	1.8
<b>Total Top Ten</b>			<b>25.9</b>
<b>Total Number of Holdings in Fund</b>			<b>119</b>

### Fund Rating

Standard & Poor's Fund Management Rating **AA**  
Issued as at October 2008

### QUICK FUND FACTS

#### Lead Investment Professional

Michael Reynal, Michael Ade

**Launch date** 2 November 1992

**Fund structure** Irish Unit Trust (UCITS Qualified)

**Registration** France, Germany, UK, Switzerland, Hong Kong, Ireland, Guernsey, Jersey, Sweden, Spain, Italy, Finland & the Netherlands

**Base currency** US\$

**Fund size** US\$15.2 million

**Dealing Cutoff** 10am Dublin  
5pm Hong Kong

**Pricing** Daily

#### Sub-investment Advisor

Principal Global Investors (Europe) Limited

#### Investor minimum

For minimum investment amounts, please contact Principal Global Investors.

#### ISIN codes:

- Income units IE0000712665
- Accumulation units IE0001148265

#### Lipper ID:

- Income units 60008018
- Accumulation units 60008017

### Fee Structure

#### A Class

- Application fee/  
Preliminary charge max 5%
- Management fee 1.50% pa
- Administration charge 0.15% pa
- Trustee fee
  - Up to \$100 million 0.02%
  - Above \$100 million 0.01%

### For More Information on the Fund, Please Contact:

#### • Principal Global Investors

(Asia) Limited on

852 2117 8383

Email: [Investors-Asia@principal.com](mailto:Investors-Asia@principal.com)

\* In preparing the asset exposure of the Fund, we have taken into account both direct and indirect investments and the effects of futures and options contracts. Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

Investments do not always add up to 100% due to rounding.

## ASIAN EQUITY FUND REVIEW AS AT 31 JANUARY 2010

### Market Review

The MSCI AC Far East ex-Japan Index reported -6.1% during the month, underperforming the S&P 500 Index at -3.6% and the MSCI EAFE Index at -4.4%. Indonesia was the top performing market in Asia for the month. The best performing sectors in the Indonesia were industrials and consumer discretionary, while the worst were utilities and materials. Malaysia and South Korea were the next best performers this month. The worst performance came from China and Hong Kong.

### Fund Performance

The fund underperformed the MSCI AC Far East ex-Japan Index for the month of January.

Asset allocation and stock selection were negative on a sector and country basis. The fund outperformed in the information technology and industrials sectors. The fund underperformed in the materials and consumer discretionary sectors. The best performing countries were Indonesia, Thailand and the Philippines. The laggard performances were found in South Korea and Hong Kong, with an underweight position Korea Electric Power Corp. and a position in New World Development Co. Ltd. hindering performance respectively.

### Portfolio Strategy & Outlook

Asian markets ended January lower, as policy concerns and rising risk aversion dominated. China led the way down, after the People's Bank of China hiked reserve rates earlier than expected and hinted at tighter loan controls for banks. We see recent tightening concerns as overblown and expect overall policy to remain accommodative. Indonesia was the only market to register a gain for the month, rising nearly 2% on strong performance from the industrial sector. Inflation has risen slightly, but remains well contained, which bodes well for the domestic economy. The Taiwanese market was dragged down by profit taking in the technology space. The financial sector and asset plays were also sold on concerns that the recently announced arms deal with the United States coupled with waning support for the KMT would lead to delays in the signing of the economic cooperation agreement with China. The Korean market outperformed the region slightly, but still ended down in choppy trade. The market saw notable rotation into defensives at the expense of financial and basic materials stocks. The Bank of Korea left rates unchanged, and now appears to be taking a more dovish stance compared to the end of last year.

*The information in this document has been derived from sources believed to be accurate as of January 2010. It contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such. The information it contains does not take account of any investor's investment objectives, particular needs or financial situation. Past performance is not a reliable indicator of future performance and should not be relied upon as a significant basis for an investment decision. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision. Subject to any contrary provisions of applicable law, no company in the Principal Financial Group nor any of their employees or directors gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way (including by reason of negligence) for errors or omissions in this document. All figures shown in this document are in U.S. dollars unless otherwise noted. This document is issued in: The United Kingdom by Principal Global Investors (Europe) Limited, Level 4, 10 Gresham Street, London, EC2V 7JD, registered in England, No. 03819986, which has approved its contents, and which is authorised and regulated by the Financial Services Authority; Singapore by Principal Global Investors (Singapore) Limited (ACRA Reg. No. 199603735H), which is regulated by the Monetary Authority of Singapore. In Singapore this document is directed exclusively at institutional investors (as defined by the Securities and Futures Act (Chapter 289)). Hong Kong by Principal Global Investors (Asia) Limited, which is regulated by the Securities and Futures Commission. Australia by Principal Global Investors (Australia) Limited (ABN 45 102 488 068, AFS Licence No. 225385) which is regulated by the Australian Securities and Investment Commission. Japan by Principal Global Investors (Japan) Ltd. (Kanto Local Finance Bureau (Kinsho) No. 462, Japan Securities Investment Advisers Association; Membership No. 011-01627). In the United Kingdom this document is directed exclusively at persons who are market counterparties or professional investors (as defined by the rules of the Financial Services Authority). In connection with its management of client portfolios, Principal Global Investors (Europe) Limited may delegate management authority to affiliates that are not authorised and regulated by the Financial Services Authority. In any such case, the client may not benefit from all protections afforded by rules and regulations enacted under the Financial Services and Markets Act 2000. This material has not been reviewed by the Securities and Futures Commission*

## FUND PERFORMANCE AS AT 31 JANUARY 2010

### Accumulative Performance (%)

	PGIF	Index*
1 month	-7.9	-6.1
3 months	-1.6	0.0
6 months	2.3	4.7
Year-to-date	-7.9	-6.1
1 year	57.3	68.3
2 years	-16.3	-9.1
3 years	0.7	8.7
4 years	24.0	31.5
5 years	64.7	69.6
10 years	68.4	65.7
Since Inception	207.2	160.3

### Annualised Performance (%)

	PGIF	Index*
2 years	-8.5	-4.6
3 years	0.2	2.8
4 years	5.5	7.1
5 years	10.5	11.1
10 years	5.3	5.2

### Calendar Year Performance (%)

	PGIF	Index*
2009	60.2	68.9
2008	-51.3	-50.6
2007	39.1	36.5
2006	33.5	31.7
2005	23.7	21.3
2004	10.9	17.2
2003	52.3	44.5
2002	-7.0	-9.4
2001	-4.0	-2.2
2000	-32.6	-36.8
1999	96.9	62.1

*Performance is calculated on a bid-to-bid basis up to 1 June 2000 and on a NAV-to-NAV basis thereafter, includes the reinvestment of all investment income, and does not take account of application fee or tax, but does include trustee and management fees. The performance information reflects performance of the A Class income units. Investors should obtain their own independent tax advice.*

*From Fund inception to 31 October 2002, the source of performance is based on the previous Advisor, BT Funds Management.*

*From 1 November 2002, the source of performance is based on the current Advisor, Principal Global Investors, LLC.*

*\*Outperforming the MSCI AC Far East ex-Japan Index (MSCI AC Asia Free ex-Japan Accumulation Index on or before 31 October 2002) is not specifically included in the objective of the Fund, and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical.*

*On 1 November 2002 the benchmark for the Asian Equity Fund changed to the MSCI AC Far East ex-Japan Index from the MSCI AC Asia Free ex-Japan Accumulation Index. All historical index performance has been restated accordingly.*

*Past performance is not indicative of future performance. All figures are stated in USD unless otherwise noted.*