

Important Notes

- I. The Principal Emerging Markets Equity Fund will invest in the equity securities of companies domiciled or with their core business in the world's emerging investment markets, which the Adviser believes are mispriced by the market and have the potential for significant growth.
- II. Generally, emerging market investments carry higher risk due to risks associated with higher volatility, inadequate liquidity and additional regulatory risks. As such, the Fund that predominantly invests into such markets may be considered speculative and carries significant risk.
- 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

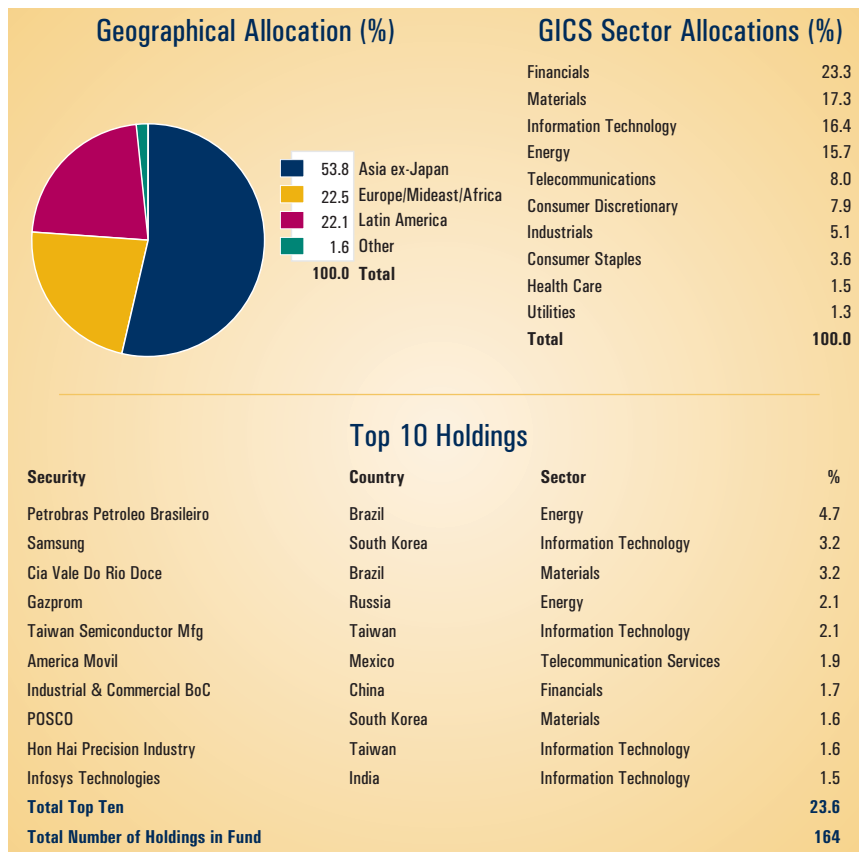
The Principal Global Investors Funds **Emerging Markets Equity Fund** aims to provide capital growth over the medium to long term predominantly through investment in equities from the world's emerging investment markets that we believe are mispriced by the market and have potential for significant growth.

Why Invest in the Emerging Markets Equity Fund?

The **Emerging Markets Equity Fund** offers investors:

- The opportunity to participate in the rapidly developing emerging market economies, which are expected to have faster long-term growth rates than most developed economies.
- Access to markets that would otherwise be unavailable or difficult for an individual to invest in.
- An investment in the regions of Latin America, Asia, Eastern Europe, the Middle East, and Africa.

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



* 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.

Fund Rating

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

QUICK FUND FACTS

Lead Investment Professional

Michael Reynal, Mihail Dobrinov, Michael Ade

Launch date 19 February 1998

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\$207.0 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:

- Accumulation units IE0002492894

Lipper ID:

- Accumulation units 60005181

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

EMERGING MARKETS EQUITY FUND REVIEW AS AT 31 JANUARY 2010

Market Review

The MSCI Emerging Markets Index reported -5.6% for the month of January, underperforming the S&P 500 Index at -3.6% and the MSCI EAFE Index at -4.4%.

Eastern Europe, Middle East and Africa (EEMEA) equities performed the best for the month of January. In Asia, telecommunication services and health care were the top performing sectors. Latin America performed the worst for the month. The top performing sectors in the region were utilities and industrials, while the worst were energy and information technology.

Fund Review

The fund underperformed the MSCI Emerging Markets Index for the month of January.

Asset allocation and stock selection were negative on a country and sector basis. The fund outperformed in the information technology sector, but lagged in the industrials, energy and financials sectors. An overweight position in Lenovo Group led the outperformance in information technology for the month. In financials, an overweight position in KWG Property Holding hurt performance. On a relative basis, Indonesia and Thailand contributed positively to performance for the month whereas South Korea and Brazil detracted from performance. In Indonesia, the portfolio benefited from an overweight position in Astra International. In South Korea, an overweight position in Posco hurt performance.

Portfolio Outlook & Strategy

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. Indonesia was the only market to register a gain for the month, rising nearly 2% on strong performance from the industrial sector. The Taiwanese market was dragged down by profit taking in the technology space. The Korean market outperformed the region slightly, but still ended down in choppy trade.

EEMEA was the best performing region in the month of January, with only South Africa succumbing to the widespread selling pressure, while most of the markets in the region ended up for the month. The EEMEA performance could be explained by the relative insulation of the region from the Chinese tightening scare and the fact that most of the countries are enjoying a relatively benign fiscal and current account positions. The few exceptions to that (Hungary) are still enjoying official financing support, providing a buffer against potential Greek spillover effects.

Latin America suffered during the January sell-off in emerging markets, falling nearly 9%. Commodity prices sold off sharply following tightening moves in China, new worries about global growth, and fears of an unwinding of speculative involvement in commodity derivative trading. Brazil and Peru were hit the hardest, while Chile and Colombia fared relatively better. From a fundamental perspective, earnings revisions remain strong across the region with a number of analysts revising commodity prices higher for 2010 and 2011.

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FUND PERFORMANCE AS AT 31 JANUARY 2010

Accumulative Performance (%)

	PGIF	Index*
1 month	-7.3	-5.6
3 months	1.4	2.4
6 months	9.1	11.5
Year-to-date	-7.3	-5.6
1 year	68.6	80.7
2 years	-18.5	-9.6
3 years	0.2	11.8
4 years	19.2	31.9
5 years	79.3	96.7
7 years	250.3	290.2
Since Inception	281.9	212.1

Annualised Performance (%)

	PGIF	Index*
2 years	-9.7	-4.9
3 years	0.1	3.8
4 years	4.5	7.2
5 years	12.4	14.5
7 years	19.6	21.5

Calendar Year Performance (%)

	PGIF	Index*
2009	69.8	79.0
2008	-54.9	-53.2
2007	41.1	39.8
2006	34.3	32.6
2005	33.6	34.5
2004	24.9	26.0
2003	55.5	56.3
2002	-9.7	-6.0
2001	-6.7	-2.4
2000	-32.3	-30.7
1999	67.2	66.6

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 accumulation units. Investors should obtain their own independent tax advice.

**Outperforming the MSCI Emerging Markets Index is not specifically included in the objective for 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.*

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.

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