PRINCIPAL GLOBAL INVESTORS FUNDS

Global Equity Fund

Important Notes

I. The Principal Global Equity Fund will invest primarily in equity securities selected from investment markets around the world, which the Adviser believes are mispriced by the market and have the potential for significant growth.

II. Investment involves risk. There is no assurance on investment returns and your investments may suffer significant loss.

III. 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.

IV. 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 **Global Equity Fund** aims to provide capital growth over the medium to long term predominantly through investment in equities from investment markets around the world that we believe are mispriced by the market and have potential for significant growth.

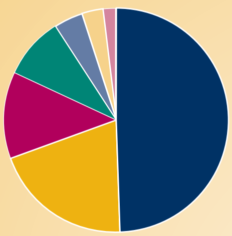
Why Invest in the Global Equity Fund?

The **Global Equity Fund** offers investors:

- Access to equities in investment markets around the world.
- A diversified investment in both emerging and developed economies, as well as industries without the volatility of a country or regional focus.
- Access to companies that the investment manager believes exhibit improving business fundamentals, sustainable competitive advantages, rising investor expectations, and attractive relative valuation.

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

Geographical Allocation (%)



49.5	United States
20.0	Continental Europe
12.4	Japan
9.1	United Kingdom
4.1	Asia ex-Japan
3.0	Canada
1.8	Cash
100.0	**Total**

GICS Sector Allocations (%)

Financials	19.4
Information Technology	12.6
Industrials	10.5
Health Care	10.2
Consumer Staples	9.6
Energy	9.6
Consumer Discretionary	9.3
Materials	8.1
Telecommunications	4.6
Utilities	4.2
Cash	1.8
Total	**100.0**

Top 10 Holdings

Security	Country	Sector	%
Microsoft	United States	Information Technology	1.3
General Electric	United States	Industrials	1.1
Wells Fargo	United States	Financials	1.1
Procter & Gamble	United States	Consumer Staples	1.0
AT&T	United States	Telecommunication Services	1.0
Exxon Mobil	United States	Energy	1.0
Cisco Systems	United States	Information Technology	1.0
BP	United Kingdom	Energy	0.9
Wal-Mart	United States	Consumer Staples	0.9
Roche	Switzerland	Health Care	0.9
Total Top Ten			**10.2**
Total Number of Holdings in Fund			**210**

** 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 **A**
Issued as at July 2008

QUICK FUND FACTS

Lead Investment Professionals
Mustafa Sagun, Chris Ibach

Launch date	4 December 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$26.8 million
Dealing Cutoff	10am Dublin 5pm Hong Kong
Pricing	Daily

Investor minimum
For minimum investment amounts, please contact Principal Global Investors.

ISIN codes:

- Income units IE0000712889
- Accumulation units IE0001148489

Lipper ID:

- Income units 60008022
- Accumulation units 60008021

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

PRINCIPAL GLOBAL INVESTORS FUNDS
Global Equity Fund

GLOBAL EQUITY FUND REVIEW AS AT 31 JANUARY 2010

Market Review

During January, the global equity markets posted negative returns as the MSCI World Index decreased 4.1%. During the month all sectors posted negative returns with the materials, telecommunication services and the information technology sectors performing the worst during January. From a country perspective stocks in Denmark, Finland and Japan performed the best for the month, while stocks in Greece, Spain and Portugal lagged the most for the month.

In the United States, large-cap stocks underperformed small-cap stocks; the S&P 500 Index decreased 3.6% in January. European large-cap stocks underperformed small-cap stocks and Japanese large-caps performed in-line with Japanese small-cap stocks.

Fund Review

The fund outperformed the MSCI World Index for the month of January. Stock selection positively contributed to performance the most in the financials, telecommunication services and health care sectors, while stock selection in the materials and utilities sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in the United States, Japan and the Netherlands, while stock selection in Australia, Switzerland and Finland negatively impacted performance the most in January.

An overweight position in Gilead Sciences Inc. contributed positively to the fund's performance in January. Gilead reported a fourth quarter EPS of $0.93, a 9% beat versus the consensus of $0.85, on strength of the core HIV franchise. Fundamentals will continue to improve with expanded HIV prescribing guidelines.

An overweight position in IAMGOLD Corp. contributed negatively to the fund's performance for the month. In January, we have seen profit taking within the commodity space as the price of gold declined.

Portfolio Outlook and Strategy

The fund continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Stock selection remains the primary source of outperformance.

FUND PERFORMANCE AS AT 31 JANUARY 2010

Accumulative Performance (%)

	PGIF	Index*
1 month	–3.6	–4.1
3 months	1.2	1.6
6 months	5.5	8.0
Year-to-date	–3.6	–4.1
1 year	28.9	36.6
2 years	–27.0	–20.0
3 years	–28.0	–20.4
4 years	–18.4	–7.4
5 years	2.9	8.3
10 years	–17.9	–0.8
Since Inception	206.6	199.5

Annualised Performance (%)

	PGIF	Index*
2 years	–14.5	–10.5
3 years	–10.3	–7.3
4 years	–5.0	–1.9
5 years	0.6	1.6
10 years	–1.9	–0.1

Calendar Year Performance (%)

	PGIF	Index*
2009	24.3	30.0
2008	–45.7	–40.7
2007	11.3	9.0
2006	18.6	20.1
2005	17.4	9.5
2004	17.8	14.7
2003	29.1	33.1
2002	–23.4	–19.9
2001	–23.0	–16.8
2000	–14.1	–13.2
1999	43.9	24.9

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.

**Outperforming the MSCI World (Net) Accumulation 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.