

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

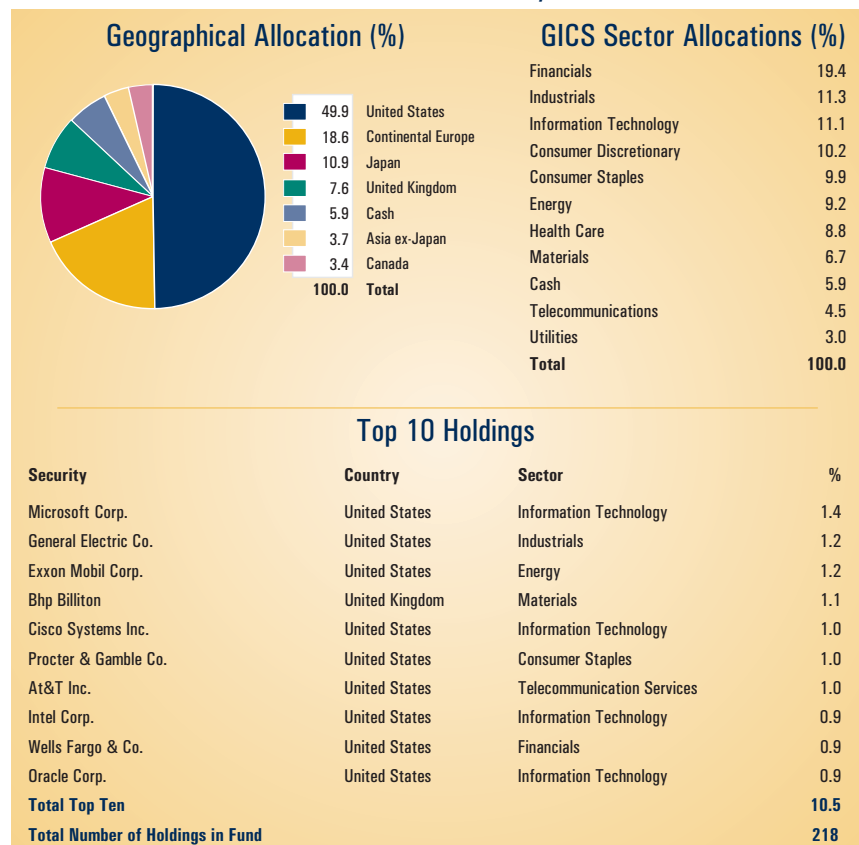
The Principal Global Investors Funds **Global Equity Fund** aims to provide capital growth over the medium to long term predominantly through investment in equities from investment markets around the world that we believe are mispriced by the market and have potential for significant growth.

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 May 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 **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\$28.6 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

GLOBAL EQUITY FUND REVIEW AS AT 31 MAY 2010

Market Review

During May the global equity markets posted negative returns as the MSCI World Index decreased 9.6%. During the month all sectors posted negative returns; the consumer staples and telecommunication services performed the best for the month despite returning -6.5% and -7.3% respectively. The energy, financials and materials sectors lagged the most. From a country perspective stocks in Israel, Hong Kong and Canada performed the best for the month despite posting negative returns.

In the United States, large-cap stocks underperformed small-cap stocks; the S&P 500 Index decreased 8.0% in May. European large-cap stocks outperformed small-cap stocks and Japanese large-caps underperformed Japanese small-cap stocks.

Fund Review

The fund underperformed the MSCI World Index for the month of May. Stock selection positively contributed to performance the most in the financials and health care sectors, while stock selection in the consumer discretionary, energy and information technology sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in Australia, Spain and Italy, while stock selection in the United States, Japan and Norway negatively impacted performance the most in May.

An overweight position in Safran contributed positively to the fund's performance in May. Safran is well positioned for future growth as we see increased forecasts for large aircraft delivery. Safran's CFM Leap-X engine will be used to power the Chinese C919 and Safran will continue to power both Airbus and Boeing re-engined or all-new narrow body aircraft.

An overweight position in Noble Corp. contributed negatively to the fund's performance for the month. During the month Noble was negatively impacted by the oil spill in the Gulf of Mexico, the company has the most exposure to the Gulf of Mexico and will be the most impacted by the six month drilling moratorium. Noble continues to have an attractive valuation as it is currently trading at 5.4x P/E which is a 40% discount to its peers.

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.

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FUND PERFORMANCE AS AT 31 MAY 2010

Accumulative Performance (%)

	PGIF	Index*
1 month	-9.9	-9.6
3 months	-4.4	-4.0
6 months	-4.8	-5.0
Year-to-date	-6.9	-6.6
1 year	9.2	13.6
2 years	-33.8	-26.0
3 years	-36.8	-28.7
4 years	-22.4	-11.2
5 years	-1.9	4.8
10 years	-21.0	-3.4
Since Inception	196.3	191.7

Annualised Performance (%)

	PGIF	Index*
2 years	-18.6	-14.0
3 years	-14.2	-10.7
4 years	-6.1	-2.9
5 years	-0.4	0.9
10 years	-2.3	-0.3

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.