

Important Notes

- I. The Principal Japanese Equity Fund will invest primarily in the equity securities of companies domiciled or with their core business in Japan, which the Adviser believes are mispriced by the market and have the potential for significant growth.
- II. The Fund invests in a single country. 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

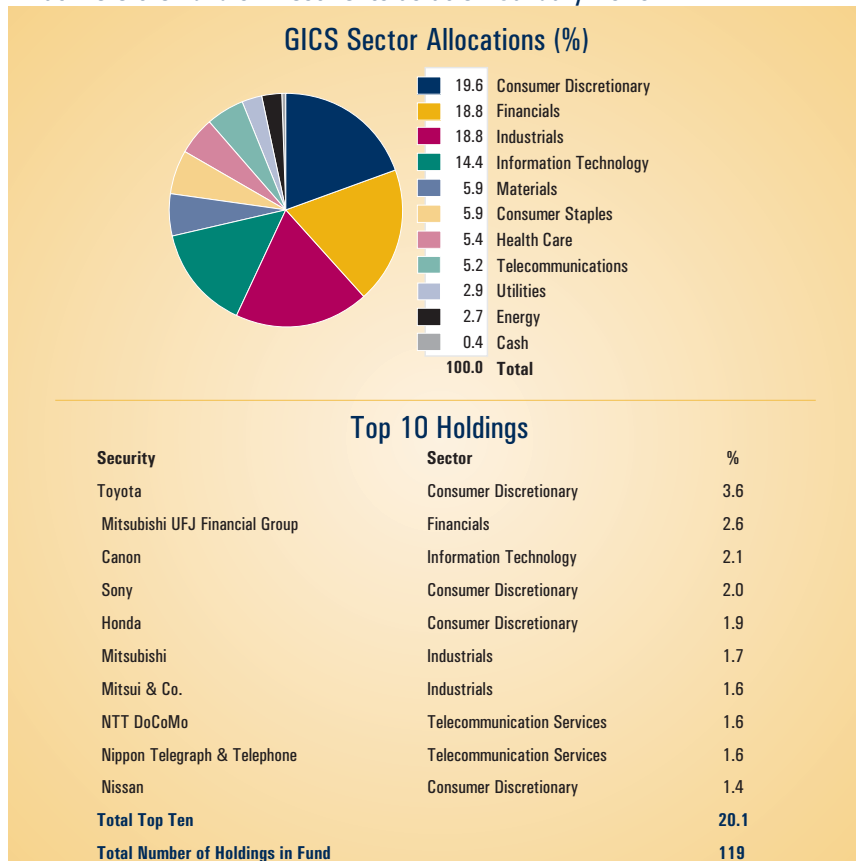
The Principal Global Investors Funds **Japanese Equity Fund** aims to provide capital growth over the medium to long term predominantly through investment in Japanese equities that we believe are mispriced by the market and have potential for significant growth.

Why Invest in the Japanese Equity Fund?

The **Japanese Equity Fund** offers investors:

- An investment in a country that is in the early stages of significant microeconomic change that will drive a trend improvement in the return on assets.
- A chance to invest in both large companies and smaller businesses with new growth opportunities that are benefiting from a major change in company behaviour, including the breakdown of the traditional stakeholder system.
- A market likely to see a significant improvement in the trend demand for equities, given savings structures and pension liabilities.
- 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?*



* 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

Chris Ibach, Mark Nebelung

Launch date	1 August 2000
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\$11.6 million
Dealing Cutoff	10am Dublin 5pm Hong Kong
Pricing	Daily

Investor minimum

For minimum investment amounts, please contact Principal Global Investors.

ISIN codes:

- Accumulation units IE0002492019

Lipper ID:

- Accumulation units 60049425

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

JAPANESE EQUITY FUND REVIEW AS AT 31 JANUARY 2010

Market Review

The Japanese equity markets posted positive returns in January with the MSCI Japan Index increasing 1.9%. In January the telecommunication services, financials and utilities sectors performed the best while materials and consumer discretionary sectors lagged the most in January.

Fund Review

The fund underperformed the MSCI Japan Index in January. Stock selection in the industrials, materials and telecommunication services sectors was most effective. However, stock selection in the consumer staples, consumer discretionary and utilities sectors was less effective.

An overweight position in eAccess Ltd. had positive impact on the fund. eAccess provides internet network services.

An underweight position in Nintendo Co. Ltd. had negative impact on the fund in January due to an underweight position during the month. Nintendo manufactures hardware and software for home video game systems.

At the end of January the fund's overweighted positions included eAccess Ltd., Sumitomo Real Estate Sales Co. Ltd., Kyocera Corp., Central Japan Railway Co. and Furukara Electric Co. Ltd.

Portfolio Outlook and Strategy

TOPIX was down 0.7% on a local currency basis for the month of January. Foreigners continued to be the net buyers on the Tokyo Stock Exchange (+¥1.5tn in January) driven by the lagging Japanese equity and weakening yen in the first half of the month. However, a strengthening yen, monetary tightening in China and discussions on stricter financial regulations in the United States dampened the market towards the end of the month despite the rising sentiment on third quarter corporate earnings in Japan.

The fund continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Our portfolio construction strategies minimize market, sector and industry exposures relative to the index in order to isolate superior stock selection as the primary source of outperformance.

FUND PERFORMANCE AS AT 31 JANUARY 2010

Accumulative Performance (%)

	PGIF	Index*
1 month	1.8	1.9
3 months	-0.9	1.6
6 months	-1.1	1.2
Year-to-date	1.8	1.9
1 year	8.2	16.2
2 years	-31.1	-19.7
3 years	-39.7	-27.2
4 years	-42.8	-25.8
5 years	-18.4	0.2
Since Inception	-40.6	-17.6

Annualised Performance (%)

	PGIF	Index*
2 years	-17.0	-10.4
3 years	-15.5	-10.0
4 years	-13.0	-7.2
5 years	-4.0	0.0

Calendar Year Performance (%)

	PGIF	Index*
2009	-2.2	6.3
2008	-35.0	-29.2
2007	-7.0	-4.2
2006	-0.9	6.2
2005	36.9	25.5
2004	18.4	15.9
2003	36.5	35.9
2002	-16.4	-10.3
2001	-33.7	-29.4

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

Performance is calculated on a NAV-to-NAV basis, 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 Japan 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.