

## Important Notes

- I. The Principal US Equity Fund will invest primarily in the equity securities of companies domiciled or with their core business in the United States, 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 **U.S. Equity Fund** seeks to provide capital growth over the medium to long term predominantly through investment in equity securities of companies domiciled or with their core business in the United States, which we believe are mispriced by the market and have the potential for significant growth.

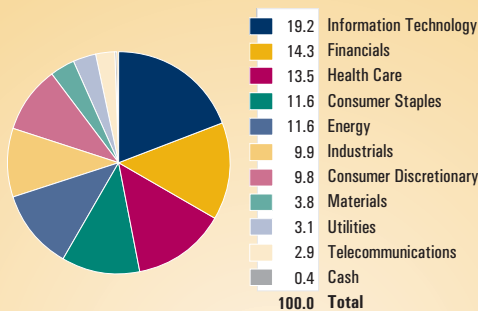
## Why Invest in the U.S. Equity Fund?

The **U.S. Equity Fund** offers investors:

- The opportunity to invest in a portfolio that will provide returns similar to the U.S. equity market as measured by the S&P 500 Index.
- A chance to invest in a diversified portfolio of predominantly large-cap stocks, with the flexibility to invest in small- and mid-cap stocks, which will provide enhanced total return potential.
- 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?\*

### GICS Sector Allocations (%)



### Top 10 Holdings

Security	Sector	%
Microsoft	Information Technology	3.6
General Electric	Industrials	3.1
Chevron	Energy	2.9
Procter & Gamble	Consumer Staples	2.5
International Business Machines	Information Technology	2.4
Cisco Systems	Information Technology	2.4
Wells Fargo	Financials	2.2
Gilead Sciences	Health Care	2.0
AT&T	Telecommunication Services	2.0
Exxon Mobil	Energy	1.8
<b>Total Top Ten</b>		<b>24.9</b>
<b>Total Number of Holdings in Fund</b>		<b>93</b>

\* 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 November 2008

**FORSYTH  
PARTNERS**

**A**

Issued as at 11 October 2007

## QUICK FUND FACTS

### Lead Investment Professionals

Jeff Schwarte, Mustafa Sagun

**Launch date** 1 December 2003

**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\$77.9 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 IE0033958335

### Lipper ID:

- Accumulation units 60091855

## 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)

## U.S. EQUITY FUND REVIEW AS AT 31 JANUARY 2010

### Market Review

The S&P 500 Index decreased 3.6% in January. Large-cap stocks underperformed small-cap stocks and value stocks outperformed growth stocks. In January the health care sector was the only sector to post positive gains for the month, while the materials, information technology and telecommunications services sectors lagged the most during the month.

### Fund Review

The fund outperformed the S&P 500 Index for the month. Stock selection in the health care, consumer discretionary and energy sectors was the most effective for the month, while stock selection in the financials and materials sectors was less effective. Stocks positively affecting relative returns included Gilead Sciences Inc., General Electric Co. and Qualcomm Inc. Stocks that negatively contributed to the fund's relative performance included Marvell Technology Group Ltd., Freeport-McMoRan Copper & Gold Inc. and Goldman Sachs Group Inc.

Our investment strategy worked during the month as investors favored stocks with rising investor expectations, improving business fundamentals, sustainable competitive advantages and attractive relative valuations.

The fund's main overweight positions included Gilead Sciences Inc., Chevron Corp. and General Electric Co. Gilead Sciences is a biopharmaceutical company engaged in the discovery, development and commercialization of therapeutics for the treatment of life-threatening infectious diseases. Chevron Corp. is an integrated energy company that operates globally. General Electric is a technology, media and financial service company.

The fund's main underweighted positions included Johnson & Johnson, Exxon Mobil Corp. and JPMorgan Chase & Co. All three stocks continue to disappoint investors and have deteriorating business fundamentals and expensive relative valuations.

### Portfolio Outlook & Strategy

We remain committed to our investment philosophy and will continue to invest in securities with improving business fundamentals, rising investor expectations and attractive valuations. Our portfolio construction strategies neutralize market, sector and industry exposures, relative to the index, in order to isolate superior stock selection as the major source of portfolio outperformance.

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

### Net Accumulative Fund Performance (%)

	PGIF	Index*
1 month	-3.3	-3.6
3 months	3.8	4.2
6 months	7.1	9.9
Year-to-date	-3.3	-3.6
1 year	25.3	33.1
2 years	-23.5	-18.3
3 years	-24.2	-20.2
Since Inception	17.2	13.6

### Net Annualised Performance (%)

	PGIF	Index*
2 years	-12.5	-9.6
3 years	-8.8	-7.2

### Calendar Year Performance (%)

	PGIF	Index*
2009	22.1	26.5
2008	-40.9	-37.0
2007	9.6	5.5
2006	13.1	15.8
2005	12.2	4.9
2004	16.8	10.9

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 S&P 500 Index 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 calculating performance may not be identical. Past performance is not indicative of future performance. All figures are stated in USD unless otherwise noted.

\*S&P500 Index. S&P 500 is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.

The index benchmarks are referred to for comparative purposes only. A more detailed description of the indexes is available upon request.

The source of performance is based on the current Advisor, Principal Global Investors, LLC.