

# PRINCIPAL LIFE STYLE FUND

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UNAUDITED SEMI ANNUAL REPORT

For The Six Months Ended 30 June 2009



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# MANAGEMENT AND ADMINISTRATION

## **Manager**

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Hong Kong

## **Trustee, Custodian and Registrar**

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## **Auditors**

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# MANAGER'S REPORT

## **Principal Life Style Fund (the "Fund")**

The Manager has pleasure in presenting the Manager's report of the Fund for the six months ended 30 June 2009.

## **Principal Asian Equity Fund**

### ***Market Review***

The MSCI All Country Far East ex-Japan Index gained 33.22% over the first half of 2009. Consumer discretionary, information technology and financials were the best performing sectors for the period. The worst performing sectors were health care, telecommunication services and utilities.

Indonesia and Thailand were the top performing countries, while South Korea and Malaysia were the worst performing countries.

### ***Fund Performance***

The fund underperformed the MSCI All Country Far East ex-Japan Index. Negative stock selection provided underperformance.

The fund outperformed significantly in the materials and health care sectors. The fund underperformed in utilities and financials. Stock selection was particularly strong in Indonesia and Thailand. The portfolio underperformed in Hong Kong as a result of the portfolio's underweight position in Hong Kong Exchanges & Clearing Ltd.

### ***Portfolio Strategy and Outlook***

Asia was the main growth driver globally for the second quarter, led by a Chinese economic recovery. The strong stimulus measures by the Chinese government have proven to be effective and we are seeing a turnaround in the economy. The most positive aspect is that the public spending has created a virtuous cycle and private spending is now also rising - particularly spending on residential property, automobiles and discretionary consumer goods. Bank lending for infrastructure projects continues to grow strongly. The PMI indicator has been above 50 for several months now, indicating that growth is accelerating. We like the Chinese banks and stocks that are likely to benefit from the rise in domestic demand. The rest of the region is starting to experience the benefits of the Chinese recovery and leading indicators are definitely turning more positive. Korea lagged other markets during the quarter, as investors were weighing the good fundamentals of the exporters, supported by cheap currency, versus the more challenging fundamentals of sectors such as shipbuilders, construction and financials. In that market, we prefer exporters, such as electronics and auto manufacturers, which have been able to gain market share globally. Strong policy stimulus, cheap valuations and improved cross-strait relations with China supported the Taiwanese market in the quarter.

## **Principal China Equity Fund**

### ***Market Review***

In the first half of 2009, MSCI China was up 37.4%. H-shares, as measured by the Hang Seng China Enterprise Index, were up 38.9%. The information technology sector performed the best. The consumer discretionary and materials sectors followed. The telecommunication services sector lagged. Nymex crude slumped 75% from last year peak to US\$34 per barrel in February, and was followed by a doubling to about US\$70 per barrel towards end-June, as the market was expecting a China-led Asian economy recovery. As a measure to combat economic slowdown, the People's Bank of China continued to loosen monetary policies to provide liquidity. New loans hit Rmb 7.4 trillion in the first half. Strong rebound of PMI above the 50 level indicated the expansionary recovery was on track. China stocks, especially those in consumer industries, saw stronger-than-expected demand growth stimulated by favorable policies. But the export industries were still stabilizing. China A-share market closed at year-high as at end-June, up 62.5% in the first half.

### ***Fund Performance***

The Fund outperformed the benchmark in the first half of 2009. Stock selection was positive in the consumer staples and consumer discretionary sectors. Stock selection negatively affected performance in the information technology and materials sectors.

### **Principal China Equity Fund** *(continued)*

#### ***Portfolio Strategy and Outlook***

The strong rally of equity market, the rebound of oil prices and the property market, and abundant liquidity with huge capital inflows have impacted market sentiment positively. Market may start to worry overheat, inflation and tightening measures. Interim results to be released in the third quarter will shed us some light on how corporates in China are doing in this early stage of recovery. If first half of 2009 earnings results do not meet investors' expectation, a healthy market correction could well be on its way. But low interest rate and good market liquidity may still be with us for some time.

### **Principal European Equity Fund**

#### ***Market Review***

The first six months of 2009 saw a sharp reversal in European markets. Having been down by almost 28% in early March, we saw a strong reversal allowing markets to finish up 7.3% for a US dollar based investor. The second quarter of 2009 saw a strong reversal in the markets and the 26.5% return for a US dollar based investor in European was the greatest for over 14 years. The dollar weakened during the quarter, by 13% relative to the sterling, but was flat relative to the euro.

The market bottomed in early March and we saw investors rotate out of defensive and into higher beta stocks, as speculation mounted that we would see growing evidence of an economic recovery. Although the rally supposedly started as a result of short covering, it quickly gained breadth among investors. The advance was accompanied by stellar gains in corporate bonds, particularly lower quality credits. Conversely, the former "safe haven" of US Treasuries saw sharp selling pressure, accompanied by a declining US dollar relative to most other currencies. Overall, it marked one of the most abrupt and substantial reversals in investor sentiment in decades. Much of the advance reflected a reduction of the extreme bankruptcy risk premiums and liquidity risk premiums that had been priced into the market over the course of the credit crisis. While credit markets remain fragile, nearly all metrics point to substantial improvement over the apocalyptic conditions of late 2008 and early 2009. Aggressive cost cutting by corporations also helped fuel the market advance, as a majority of companies were able to post earnings results that exceeded extremely pessimistic consensus expectations despite very weak top-line results. In general, the worst-case scenarios envisioned by most investors appear to have been averted.

#### ***Fund Performance***

The fund underperformed the MSCI Europe Index for the semi annual period. There was great disparity among cyclical and defensive groups. In general, returns by sector were largely a mirror image of the prior year. Those that had performed worst, namely financials, materials, industrials and consumer durables - gained the most. Conversely, sectors that held up best in the crisis, such as consumer staples and telecommunications lagged substantially. Health care was the worst performing sector overall, as investors became increasingly concerned about the impact of US health reform. In stark contrast to the prior year, stocks with the highest levels of financial leverage handily outpaced their higher quality counterparts.

#### ***Portfolio Strategy and Outlook***

In local currency terms, we saw the strongest performance from Greece, Sweden and Austria, whilst we saw the weakest performance from the United Kingdom and France. We saw the strongest contribution from British technology company, Autonomy; Belgian brewer, Anheuser Busch Inbev; and British Bank, Barclays.

European markets still do not look particularly expensive as in a global context. They are selling on a multiple of 9x for the current year, and a yield close to 4.5%. It is clear that some dividends will be cut, or even passed, but equities have not yielded as much for several decades. Corporate activity is down from its record levels, and is likely to stay more subdued whilst it is clearly harder for companies to get funding. In this environment, we believe that it remains critical to focus on stock selection. We will continue to focus on those companies where we believe the market does not yet fully discount their earnings prospects.

## **Principal HK Dollar Savings Fund**

### ***Market Review***

Interest rate movement in Hong Kong for the first half of 2009 can be divided into two parts - interest rate moved a range in the first four months but started falling sharply in May. The benchmark three-month HKD interbank offer rate (HIBOR) rate fell by 19 bps for the first four months followed by a decline of 39 bps in May and 1 bp in June. The rate was down by 59 bps in the first half of the year to 0.359% on 30 June. The decline in interest rates was attributable to the abundant liquidity in the banking system amid the inflow of capital. Given that the Aggregate Balance, a measure of the level of liquidity in the banking system has increased from HK\$10bn at end-Sept 08 to HK\$218bn at end-June 09, low interest rate environment is expected continue.

### ***Fund Performance***

The fund price of Principal HK Dollar Savings Fund increased during the first half of 2009. The net return of the fund was able to outperform the MPF Prescribed Savings Rate during the reviewed period. Due to the drop in Hong Kong dollar interest rates, however, return was lower than that in the same period a year ago.

### ***Portfolio Strategy and Outlook***

Hong Kong economic figures continued to show signs of stabilizing. Trade activities surprised on the upside. The export decline narrowed for the third straight month to 14.5% year-on-year in May, from 18.2% in April. Although May retail sales volume fell (by 6.4%) more than that in April (by 5.4%) on a year on year basis, it stabilized on sequentially basis, contracting by 3.4% quarter-on-quarter in May, a smaller contraction compared to the 5.7% quarter-on-quarter decline in April. Headline CPI in June dropped to the negative territory at -0.9% but netting out the effects of the government's one-off relief measures, the underlying inflation eased to 0.4% in June from 1.3% in May. Under an environment of low real interest rate, improving domestic demand, as well as a stabilizing job market, we expect Hong Kong's economic is on its way to a recovery.

## **Principal Hong Kong Equity Fund**

### ***Market Review***

For the first six months of 2009, the Hang Seng Index increased 30.39%. All of the sectors posted positive gains during the quarter with the information technology, materials and consumer discretionary sectors performing the best during the quarter. The BMI Hong Kong Index was up 41.55% in the second quarter and the BMI China Index was up 41.94%. H-shares, as measured by the Hang Seng China Enterprise Index, increased 41.95% during the period.

### ***Fund Performance***

The fund outperformed the benchmark during the period. Stock selection was positive in the consumer discretionary, consumer staples and health care sectors; while stock selection in the financials, materials and utilities sectors negatively affected performance the most during the period.

An overweight position in China Dongxiang Group Co. Ltd. gave us positive performance for the period. The company's principal activity is distributing sport related products.

An underweight in Baidu Inc. contributed negatively to performance for the period as it performed very well for the period, but we did not hold it. The company provides Chinese language internet search services in the People's Republic of China and Japan.

### ***Portfolio Strategy and Outlook***

The recovery of the Chinese economy gained traction driven by the stimulus package. The measures have succeeded in stimulating final demands through fixed asset investments and spending on infrastructure. We expect the government would fine tune the measures while not changing the accommodative stance in the near-term after abundant bank credit creation of over Rmb6 trillion in the first half alone. In the third quarter, property construction and investments are expected to pick up in pace replacing slower infrastructure projects start. Inflation would likely be more apparent toward yearend.

### **Principal Hong Kong Equity Fund** *(continued)*

#### ***Portfolio Strategy and Outlook*** *(continued)*

In June, the portfolio's overweighted positions included Sun Hung Kai Properties, Hutchinson Whampoa, BOC Hong Kong and Hong Kong Land Holdings. The portfolio continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. We minimize market, sector and industry exposures relative to the index in order to isolate superior stock selection as the primary source of portfolio outperformance.

### **Principal International Bond Fund**

#### ***Market Review***

During the first quarter, the global recession deepened leading to unprecedented coordinated monetary and fiscal intervention. US GDP growth remained negative at -6.3% in the fourth quarter and unemployment rose to 8.1%. Market sentiment improved during the second quarter as systemic risk decreased and risk appetite returned to the marketplace.

During the first quarter of 2009, the European Central Bank continued to cut their target rate by an additional 1%. As the governments have issued various guarantees and bailouts, the budget deficit has swelled well beyond the upper limit of 3% of GDP. From an economic data perspective, first quarter 2009 Eurozone GDP shrank 2.5% from fourth quarter 2008, which confirmed flash estimates released in May.

In Japan, GDP came in at an annualized decline of 12.7%. Both exports and imports have dropped by over 40% from the previous year. During the quarter, the Bank of Japan has left rates unchanged at 0.1%, but they are engaged in quantitative easing in which they are buying back Japanese government bonds.

#### ***Fund Performance***

The fund has underperformed the index during the first half of the year. The Pan-European and US regions outperformed while the Asia Pacific allocation underperformed. All regions outperformed their respective indexes primarily due to sector allocation.

#### ***Portfolio Strategy and Outlook***

Our sector positioning is based on weak US and global growth. Currently with short maturity governments yielding less than a percent, we have started to buy short dated financial paper, primarily banks, to act as a placeholder. This is giving the portfolio a significant yield advantage with little risk as we are staying in the largest institutions, but still maintaining a well diversified basket. In the United Kingdom, data is definitely improving, suggesting that we have past the trough, but the weak retail sales figures highlight that we are not completely out of the woods yet. The economic data in the Eurozone still remains mixed with evident weakness in current fundamentals, but some points do continue to suggest that the pace of decline is slowing and that the worst may have passed.

### **Principal International Equity Fund**

#### ***Market Review***

During the first six months of 2009, the international equity markets posted positive returns as the MSCI World Index gained 6.35%. The information technology, financials and consumer discretionary sectors gained the most; while the utilities, telecommunication services and health care sectors lagged for the period. From a country perspective Hong Kong, Singapore, Norway and Sweden performed the best for the period.

In the United States, large-cap stocks outperformed small-cap stocks; the S&P 500 Index returned 3.16%. European large-cap stocks underperformed small-cap stocks and Japanese small-caps outperformed large-cap stocks.

## **Principal International Equity Fund** *(continued)*

### ***Fund Performance***

The fund underperformed the MSCI World Index for the first six months of 2009. Stock selection positively contributed to performance the most in the materials, information technology, utilities and telecommunication services sectors, while stock selection in the financials, consumer discretionary and consumer staples sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in the United Kingdom, the United States, Belgium and Norway.

An overweight position in Ashland Inc. contributed positively to performance this quarter. Ashland operates as a diversified chemical company in North America, Europe, Asia Pacific and Latin America. Ashland is a preferred name in the universe, based on early cyclical exposure, positive fundamentals, relative small market capitalization and attractive valuation.

An overweight position in Lincoln National Corp. negatively contributed to performance for the quarter. Lincoln National Corp. is a holding company, which operates multiple insurance and investment management businesses through subsidiary companies.

### ***Portfolio Strategy and Outlook***

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.

## **Principal Pension Bond Fund**

### **Market Review**

Investment grade credit has performed well this year, as have most other fixed income spread sectors. This performance is largely due to a decrease in systemic risk that resulted from government programs such as PPIP, TARP and TALF. Market participants view recent initiatives as a positive with the government becoming more proactive in addressing systemic risk to stem the recession. As a result, investors became less risk averse and option adjusted spreads (OAS) on investment grade corporate bonds tightened 200 basis points (bp) this year. We are now just slightly above pre-Lehman bankruptcy levels. Investment grade corporate spreads, currently at 306 bp, are still wider than the level realized during prior cycles, including the prior peak level of 255 bp reached during 2002. While spreads are at historical highs, 2009 default rates remained relatively low at 0.41%, illustrating that risk premiums are being driven by liquidity risk more than default risk. Excess returns for the year have been driven by the utility and industrial broad sectors despite the recent rally in financials. Year-to-date excess return for the US Credit index is 11.51% versus 10% for the Intermediate Credit index.

### ***Fund Performance***

The fund has outperformed the index during the year. The primary driver of performance has been sector positioning. The largest contributors to performance have been an overweight to pipelines and utilities and an underweight to the sovereign and supranational sectors. Detractors to performance were an overweight to the financial sector which detracted performance during the first quarter and an underweight to metals and the mining sector.

### ***Portfolio Strategy and Outlook***

The decrease in systemic risk and increase in liquidity in the market is a positive as companies are able to raise capital through the debt and equity markets. The ability of companies to meet their financing needs is favorable for bondholders as the risk of default decreases. Demand for investment grade bonds has been robust and should continue to outweigh supply through the end of the year. While the market will experience volatility, spreads should realize additional tightening over the course of the year. The portfolio is positioned with an overweight to banks, communications, pipelines and non-cyclical industries such as food and beverage.

## **Principal US Dollar Savings Fund**

### ***Market Review***

During the first quarter, the global recession deepened leading to unprecedented coordinated monetary and fiscal intervention. US GDP growth remained negative at 6.3% in the fourth quarter and unemployment rose to 8.1%. A supplemental plan, the Public-Private Investment Program (PPIP), will provide loans up to US\$100 billion from the government and up to US\$500 billion from private investors; with the possibility of expanding the program to total US\$1 trillion, for purchases of legacy or existing assets to free up bank balance sheets. Furthermore, the Federal Reserve increased the total amount of agency mortgage-backed security (MBS) purchases to US\$1.25 trillion this year to support the housing market and to push mortgage rates lower. Market sentiment improved during the second quarter as systemic risk decreased and risk appetite returned to the marketplace. This was largely a result of positive effects of government programs implemented to stabilize the financial system.

The US Treasury slope between the two-year and 10-year maturities steepened and ended the first half of the year at 2.42%. The two-year yield increased by 0.35% to 1.11% and the 10-year yield ended at 3.53%, an increase of 1.32%.

The Barclays Capital US Aggregate Index, a proxy for the overall fixed income market, had an excess return of 4.30% year-to-date. This performance is measured as an excess return when compared to similar duration US Treasuries. Spread sectors performed well with the reduction of systemic risk in the market. Below investment grade corporate bonds were the best performing sector, outperforming similar duration US Treasuries by 32.91%.

### ***Fund Performance***

The US dollar portfolio underperformed the Barclays Capital 6-month Treasury Index. The largest contributor to the underperformance this period was security selection within the out-of-index allocations to ABS, specifically home equity and CMOs.

### ***Portfolio Strategy and Outlook***

As we have securities mature and the opportunity to sell some of our securitized assets, we will invest cash, per our revised guidelines, in Treasuries and higher quality securities to position more defensively.

## **Principal US Equity Fund**

### ***Market Review***

The S&P 500 Index posted a positive return of 3.16% for the first six months of 2009. Large-cap stocks outperformed small-cap stocks and growth stocks outperformed value stocks during this period. During the period the information technology, materials and consumer discretionary sectors performed the best while the industrials, telecommunication services and financials lagged the most.

### ***Fund Performance***

The fund underperformed the S&P 500 Index for the first half of 2009. Stock selection in the telecommunication services, industrials and utilities sectors were the most effective for the period; while stock selection in the consumer discretionary, financials and consumer staples sectors were less effective. Stocks positively affecting relative returns included Citigroup Inc., Goldman Sachs Group Inc. and Cameron International Corp. Stocks that negatively contributed to the fund's relative performance included State Street Corp., Pactiv Corp. and Schering-Plough Corp.

Our investment strategy struggled during the period as investor speculated the worst is behind us and bid up deep value cyclical stock with poor fundamentals.

The fund's main overweight positions included Goldman Sachs Group Inc., Thermo Fisher Scientific Inc. and Lockheed Martin Corp.

Goldman Sachs Group provides various investment banking, securities and investment management services to corporations, financial institutions, governments and high-net-worth individuals worldwide.

## MANAGER'S REPORT *(continued)*

### **Principal US Equity Fund** *(continued)*

#### ***Fund Performance*** *(continued)*

Thermo Fisher Scientific provides analytical instruments, equipment, reagents and consumables, software and services for research, manufacturing, analysis, discovery and diagnostics. The company operates through two segments: analytical technologies and laboratory products & services.

Lockheed Martin engages in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services worldwide.

The fund's main underweighted positions included Merck & Co. Inc., Medtronic Inc. and Morgan Stanley. All three stocks continue to disappoint investors and have deteriorating business fundamentals and expensive relative valuations.

#### ***Portfolio Strategy and Outlook***

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.

Principal Asset Management Company (Asia) Limited

16 July 2009

# INVESTMENT REPORT

## Portfolio statement as at 30 June 2009

Principal Asian Equity Fund			
Investments	Portfolio holdings	Market value HK\$/HK\$ equivalent	% of NAV
<b>Listed shares</b>			
<i>China</i>			
Air China Ltd-H	1,556,000	5,912,800	0.35
Anhui Conch Cement Co Ltd-H	186,000	9,021,000	0.53
Bank of China Ltd-H	10,032,000	37,018,080	2.18
Beijing Capital International Airport Co Ltd-H	1,226,000	6,657,180	0.39
China Blue Chemical Ltd-H	1,946,000	7,920,220	0.47
China Communications Services Corp Ltd-H	1,172,000	5,613,880	0.33
China Construction Bank Corp-H	7,911,823	47,550,056	2.80
China Life Insurance Co Ltd-H	1,184,000	33,744,000	1.99
China Oilfield Services Ltd-H	1,052,000	8,847,320	0.52
China Petroleum & Chemical Corp-H	4,007,508	23,684,372	1.40
China Shanshui Cement Group Ltd	1,365,000	7,330,050	0.43
China Shenhua Energy Co Ltd-H	712,500	20,341,875	1.20
China Telecom Corp Ltd-H	2,712,000	10,468,320	0.62
Dongfeng Motor Group Co Ltd-H	1,514,000	9,901,560	0.58
Huaneng Power International Inc-H	2,974,000	16,178,560	0.95
Industrial & Commercial Bank of China-H	8,499,000	45,894,600	2.70
Jiangxi Copper Co Ltd-H	80,000	1,016,000	0.06
PetroChina Co Ltd-H	2,198,872	18,910,299	1.11
PICC Property & Casualty Co Ltd-H	1,326,000	7,094,100	0.42
Shimao Property Holdings Ltd	821,500	12,371,790	0.73
Sino-Ocean Land Holdings Ltd	827,000	7,335,490	0.43
Tencent Holdings Ltd-H	261,600	23,661,720	1.39
Weichai Power Co Ltd-H	215,000	5,525,500	0.33
Yanzhou Coal Mining Co Ltd-H	941,989	10,041,603	0.59
Zhejiang Expressway Co Ltd-H	1,544,000	9,495,600	0.56
Zijin Mining Group Co Ltd-H	1,348,000	9,449,480	0.56
		400,985,455	23.62
<i>Hong Kong</i>			
Agile Property Holdings Ltd	840,000	9,357,600	0.55
Beijing Enterprises Holdings Ltd	297,000	11,493,900	0.68
BOC Hong Kong (Holdings) Ltd	1,104,500	14,999,110	0.88
Cheung Kong (Holdings) Ltd	183,000	16,305,300	0.96
Cheung Kong Infrastructure Holdings Ltd	387,000	10,526,400	0.62
China Mobile Ltd	815,624	63,292,422	3.73
China Overseas Land & Investment Ltd	248,085	4,465,530	0.26
CLP Holdings Ltd	167,000	8,583,800	0.51
CNOOC Ltd	2,383,766	22,907,991	1.35
Dah Sing Banking Group Ltd	141	1,080	0.00
Denway Motors Ltd	1,194,000	3,701,400	0.22
Guangdong Investment Ltd	2,120,000	8,098,400	0.48
Hang Seng Bank Ltd	212,660	23,179,940	1.37
Henderson Land Development Co Ltd	206,000	9,156,700	0.54
Hong Kong Exchanges and Clearing Ltd	64,000	7,724,800	0.46
Hongkong Electric Holdings	301,000	12,973,100	0.76
Hopewell Holdings	362,000	8,796,600	0.52
Hutchison Whampoa Ltd	297,000	15,043,050	0.89
Hysan Development Co Ltd	657,000	13,074,300	0.77
Kerry Properties Ltd	168,500	5,729,000	0.34
Nine Dragons Paper (Holdings) Ltd	1,063,000	5,442,560	0.32
Peace Mark (Holdings) Ltd	2,010,000	-	0.00
Shanghai Industrial Holdings Ltd	355,000	11,076,000	0.65
Shenzhen Investment Ltd	2,868,000	9,263,640	0.55
Sun Hung Kai Properties Ltd	318,000	30,782,400	1.81
Texwinca Holdings Ltd	1,352,000	8,368,880	0.49
Wharf (Holdings) Ltd	302,000	9,920,700	0.58
Wing Hang Bank Ltd	72,000	4,888,800	0.29
		349,153,403	20.58

Principal Asian Equity Fund (continued)			
Investments	Portfolio holdings	Market value HK\$/HK\$ equivalent	% of NAV
<b>Listed shares (continued)</b>			
<i>Indonesia</i>			
Bank Rakyat Indonesia	1,452,500	6,952,821	0.41
PT Bank Mandiri Persero Tbk	5,563,000	13,420,142	0.79
PT Indosat Tbk	1,793,500	6,779,518	0.40
PT Tambang Batubara Bukit Asam Tbk	717,000	6,319,482	0.37
PT Telekomunikasi Indonesia Tbk	2,256,500	12,858,815	0.76
PT United Tractors Tbk	1,126,070	8,513,199	0.50
		54,843,977	3.23
<i>Malaysia</i>			
KLCC Property Holdings Bhd	1,416,300	10,182,997	0.60
Malayan Banking Bhd	755,900	9,836,013	0.58
PLUS Expressways Bhd	629,100	4,439,892	0.26
PPB Group Bhd	218,100	5,579,771	0.33
Tenaga Nasional Bhd	520,300	8,778,453	0.52
		38,817,126	2.29
<i>Philippines</i>			
Philippine Long Distance Telephone Co	23,800	9,176,581	0.54
		9,176,581	0.54
<i>Singapore</i>			
DBS Group Holdings Ltd	434,000	27,434,545	1.62
Oversea-Chinese Banking Corp	305,000	10,914,462	0.64
Singapore Airlines Ltd	197,600	14,078,767	0.83
Singapore Exchange Ltd	304,000	11,562,666	0.68
Singapore Petroleum Co Ltd	197,000	6,553,659	0.39
Singapore Telecommunications Ltd	1,705,000	27,401,332	1.61
United Overseas Bank Ltd	237,000	18,638,048	1.10
Wilmar International Ltd	384,000	10,326,686	0.61
		126,910,165	7.48
<i>South Korea</i>			
Busan Bank	118,640	6,315,261	0.37
Daegu Bank	123,060	8,759,007	0.52
Daelim Industrial Co	27,568	10,364,440	0.61
Daishin Securities Co Ltd	61,100	5,798,530	0.34
Doosan Corp	11,150	6,036,942	0.36
Honam Petrochemical Corp	12,974	6,053,707	0.36
Hyundai Engineering & Construction Co Ltd	15,749	5,116,186	0.30
Hyundai H&S Co Ltd	25,560	11,242,199	0.66
Hyundai Mobis	8,003	5,428,500	0.32
Hyundai Motor Co	29,202	13,163,850	0.78
Kangwon Land Inc	79,230	7,856,505	0.46
KB Financial Group Inc-ADR	21,642	5,586,972	0.33
Kiwoom Securities Co Ltd	14,745	4,476,076	0.26
Korea Exchange Bank	116,210	7,013,056	0.41
Korea Investment Holdings Co Ltd	27,150	6,061,610	0.36
Korea Zinc Co Ltd	12,249	10,320,543	0.61
Korean Reinsurance Co	107,010	7,681,720	0.45
KT Corp	35,140	7,856,176	0.46
KT&G Corp	11,328	4,961,784	0.29
LG Chem Ltd	17,226	14,618,768	0.86

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal Asian Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>South Korea (continued)</i>			
LG Corp	22,778	8,438,884	0.50
LG Display Co Ltd	33,760	6,531,030	0.38
LG Electronics Inc	23,967	17,058,925	1.01
Lotte Shopping Co Ltd	5,379	8,573,437	0.51
POSCO	12,377	31,887,533	1.88
Samsung Electronics Co Ltd	19,657	70,793,122	4.17
Samsung Heavy Industries Co Ltd	48,660	8,584,643	0.51
SK Energy Co Ltd	608	379,123	0.02
SK Holdings Co Ltd	14,106	9,139,146	0.54
SK Telecom Co Ltd	8,116	8,590,994	0.51
STX Engine Co Ltd	47,040	7,798,049	0.46
TK Corp	19,788	3,804,005	0.22
Youngone Corp	118,780	8,309,852	0.49
		----- 344,600,575	----- 20.31
<i>Taiwan</i>			
Acer Inc	1,058,535	14,277,087	0.84
AU Optronics Corp	1,900,000	14,361,568	0.85
Cathay Financial Holding Co Ltd	1,727,000	19,805,228	1.17
Cheng Shin Rubber Industry Co Ltd	1,452,000	17,560,418	1.03
China Steel Corp	1,113,000	7,413,829	0.44
Chunghwa Telecom Co Ltd	367,366	5,683,797	0.33
Compal Electronics Inc	1,369,000	8,617,850	0.51
Gemtek Technology Corp	633,000	7,894,705	0.47
High Tech Computer Corp	96,000	10,521,738	0.62
Hon Hai Precision Industry Co Ltd	655,209	15,708,844	0.93
Lite-On Technology Corp	1,820,000	12,252,213	0.72
MediaTek Inc	274,000	25,370,843	1.49
Mega Financial Holding Co Ltd	1,437,000	5,125,450	0.30
President Chain Store Corp	386,000	7,667,991	0.45
Siliconware Precision Industries Co	745,000	6,695,904	0.39
Sincere Navigation	943,000	8,241,603	0.49
Taiwan Cooperative Bank	1,972,000	8,803,736	0.52
Taiwan Semiconductor Manufacturing Co Ltd	3,097,563	40,022,641	2.36
Teco Electric and Machinery Co Ltd	1,849,000	5,721,455	0.34
TSRC Corp	765,000	7,228,026	0.43
Tung Ho Steel Enterprise Corp	785,000	5,803,798	0.34
U-Ming Marine Transport Corp	521,000	7,876,186	0.46
Uni-President Enterprises Corp	657,000	5,245,421	0.31
Wistron Corp	1,110,000	14,289,524	0.84
WPG Holdings Co Ltd	1,483,000	11,402,246	0.67
Yunta Financial Holding Co Ltd	2,160,000	11,275,720	0.66
		----- 304,867,821	----- 17.96

Principal Asian Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>Thailand</i>			
Asian Property Development Plc	4,600,800	4,989,332	0.29
Bangkok Bank Plc-Foreign	161,000	4,108,147	0.24
Banpu Plc-Foreign	164,900	12,698,121	0.75
LPN Development Plc-Foreign	2,332,021	2,709,597	0.16
Siam Commercial Bank Plc	315,600	5,266,799	0.31
Siam Commercial Bank Plc-Foreign	279,800	4,780,916	0.28
		----- 34,552,912	----- 2.03
<b>Total listed shares</b>		1,663,908,015	98.04
<b>Total investment</b>		1,663,908,015	98.04
<b>Other net assets</b>		33,307,582	1.96
<b>Total net asset value</b>		1,697,215,597	100.00
<b>Total cost of investment</b>		1,574,626,107	

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal China Equity Fund			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed shares</b>			
<i>China</i>			
Air China Ltd-H	776,000	2,948,800	0.54
Aluminum Corp of China Ltd-H	872,000	6,400,480	1.17
Anta Sports Products Ltd	350,000	3,391,500	0.62
Asia Cement (China) Holdings Corp	556,000	3,146,960	0.58
Bank of China Ltd-H	5,381,000	19,855,890	3.64
Bank of Communications Co Ltd-H	1,122,000	9,750,180	1.79
China BlueChemical Ltd-H	898,000	3,654,860	0.67
China Citic Bank-H	1,268,000	6,578,040	1.17
China Coal Energy Co-H	487,000	4,470,660	0.82
China Communications Service Corp Ltd-H	738,000	3,535,020	0.65
China Construction Bank Corp-H	7,964,000	47,863,640	8.79
China Dongxiang (Group) Co	1,399,000	7,288,790	1.34
China Life Insurance Co Ltd-H	856,000	24,396,000	4.48
China Merchants Bank Co Ltd-H	619,100	10,982,834	2.01
China National Building Material Co Ltd-H	284,000	4,265,680	0.78
China Petroleum & Chemical Corp-H	3,052,000	18,037,320	3.31
China Railway Construction Corp-H	297,500	3,558,100	0.65
China Railway Group Ltd-H	906,000	5,644,380	1.04
China Shenhua Energy Co Ltd-H	684,000	19,528,200	3.58
China Shipping Development Co Ltd-H	580,000	5,800,000	1.06
China Southern Airlines Co Ltd-H	1,746,000	3,753,900	0.69
China Telecom Corp Ltd-H	2,787,514	10,759,804	1.97
China Vanke Co Ltd-B	489,300	5,480,160	1.01
Dongfang Electric Corp Ltd-H	132,400	3,667,480	0.67
Dongfeng Motor Group Co Ltd-H	926,000	6,056,040	1.11
Golden Eagle Retail Group Ltd	600,000	5,400,000	0.99
Great Wall Motor Co Ltd-H	436,000	2,681,400	0.49
Guangzhou Pharmaceutical Co Ltd-H	662,000	2,760,540	0.51
Huadian Power International Co-H	1,040,000	2,537,600	0.47
Industrial & Commercial Bank of China-H	5,505,000	29,727,000	5.45
Jiangxi Copper Co Ltd-H	495,000	6,286,500	1.15
KWG Property Holding Ltd	889,500	4,963,410	0.91
PetroChina Co Ltd-H	2,276,362	19,576,713	3.59
Ping An Insurance (Group) Co of China Ltd-H	265,500	13,925,475	2.55
Shimao Property Holdings Ltd	626,500	9,435,090	1.73
Sino-Ocean Land Holdings Ltd	626,500	5,557,055	1.02
Tencent Holdings Ltd-H	180,600	16,335,270	3.00
Vinda International Holdings Ltd	806,000	3,489,980	0.64
Weichai Power Co Ltd-H	118,000	3,032,600	0.56
XTEP International Holdings	699,000	2,698,140	0.49
Yantai Changyu Pioneer Wine Co-B	95,100	4,550,535	0.83
Zhejiang Expressway Co Ltd-H	980,000	6,027,000	1.11
Zijin Mining Group Co Ltd-H	784,000	5,495,840	1.01
		385,094,866	70.64

Principal China Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>Hong Kong</i>			
Beijing Enterprises Holdings Ltd	146,000	5,650,200	1.04
China Agri-Industries Holdings Ltd	1,090,000	5,264,700	0.97
China Everbright Ltd	314,000	5,991,120	1.10
China Insurance International Holdings Co Ltd	302,000	4,952,800	0.91
China Mobile Ltd	629,000	48,810,400	8.96
China Overseas Land & Investment Ltd	357,200	6,429,600	1.18
China Resources Land Ltd	510,000	8,761,800	1.61
China Resources Power Holdings Co Ltd	332,000	5,723,680	1.05
China State Construction International Holdings Ltd	1,092,000	2,926,560	0.54
China Unicom (Hong Kong) Ltd	262,000	2,688,120	0.49
CNOOC Ltd	2,831,000	27,205,910	4.99
CNPC (Hong Kong) Ltd	750,000	4,800,000	0.88
Comba Telecom Systems Holdings Ltd	632,000	2,736,560	0.50
COSCO International Holdings Ltd	1,022,000	3,975,580	0.73
Neo-China Land Group (Holdings) Ltd	320,000	-	0.00
Noble Group Ltd	365,000	3,558,691	0.65
Pacific Basin Shipping Ltd	506,000	2,504,700	0.46
Xinyi Glass Holdings Co Ltd	418,000	2,792,240	0.51
		144,772,661	26.57
<b>Total listed shares</b>		529,867,527	97.21
<b>Delisted shares</b>			
<i>China</i>			
Chai-Na-Ta Corp	960	-	0.00
China North Industries Investment Ltd	20,000	-	0.00
<b>Total delisted shares</b>		-	0.00
<b>Options/warrants</b>			
<i>Hong Kong</i>			
China Resources Power Holdings Co Ltd-Rights	33,200	109,560	0.02
<b>Total options/warrants</b>		109,560	0.02
<b>Total investment</b>		529,977,087	97.23
<b>Other net assets</b>		15,104,681	2.77
<b>Total net asset value</b>		545,081,768	100.00
<b>Total cost of investment</b>		486,892,450	

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal European Equity Fund			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed shares</b>			
<i>Belgium</i>			
Anheuser-Busch InBev NV	7,700	2,167,051	0.93
Colruyt SA	369	656,020	0.28
Dexia SA	10,595	626,017	0.27
Groupe Bruxelles Lambert SA	1,127	641,995	0.28
Telenor Group Holding NV	3,247	536,790	0.23
		4,627,873	1.99
<i>Denmark</i>			
Danske Bank A/S	7,400	994,110	0.43
Novo Nordisk A/S-B	4,488	1,891,108	0.81
Novozymes A/S	1,070	677,084	0.29
		3,562,302	1.53
<i>Finland</i>			
Kone Oyj	4,431	1,057,610	0.45
Nokia Oyj	17,984	2,052,848	0.88
Wartsila Oyj-B	3,296	826,705	0.35
		3,937,163	1.68
<i>France</i>			
AXA SA	9,356	1,369,748	0.59
BNP Paribas	6,447	3,260,163	1.40
CNP Assurances	1,047	779,070	0.33
Credit Agricole SA	8,675	841,893	0.36
Eiffage SA	2,165	982,372	0.42
Eutelsat Communications	4,966	998,252	0.43
France Telecom SA	6,161	1,088,585	0.47
GDF SUEZ	4,192	1,216,444	0.52
Gemalto NV	3,059	824,788	0.35
Hermes International	598	647,301	0.28
Iliad SA	715	540,512	0.23
Lafarge SA	2,509	1,323,634	0.57
Natisis	15,715	236,946	0.10
Neopost SA	871	609,540	0.26
Publicis Groupe	3,913	929,693	0.40
Saft Groupe SA	2,559	788,743	0.34
Sanofi-Aventis SA	6,811	3,118,055	1.34
Technip SA	1,764	672,929	0.29
Teleperformance	2,816	667,208	0.29
Total SA	13,558	5,704,277	2.45
Vinci SA	4,318	1,510,076	0.65
Vivendi	2,601	484,454	0.21
		28,594,683	12.28
<i>Germany</i>			
Allianz SE-REG	1,086	776,327	0.33
Bayer AG	2,519	1,052,662	0.45
Bilfinger Berger AG	2,403	869,664	0.37
Deutsche Bank AG	4,734	2,235,535	0.96
Deutsche Boerse AG	1,024	618,589	0.27
Deutsche Telekom AG	4,559	417,220	0.18

Principal European Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>Germany <i>(continued)</i></i>			
E.ON AG	7,976	2,200,252	0.94
Fielmann AG	1,664	856,746	0.37
Hannover Rueckversicherung AG-REG	3,744	1,079,074	0.46
Hochtief AG	3,301	1,295,716	0.56
Muenchener Rueckversicherungs AG-REG	1,953	2,058,919	0.88
RWE AG	3,068	1,885,218	0.81
SAP AG	6,040	1,888,743	0.81
Siemens AG	2,413	1,299,108	0.56
Software AG	1,452	800,301	0.34
		19,334,074	8.29
<i>Greece</i>			
National Bank of Greece SA	7,330	1,586,862	0.68
OPAP SA	3,423	711,100	0.30
Public Power Corp SA	5,880	945,071	0.41
		3,243,033	1.39
<i>Ireland</i>			
CRH Plc	6,914	1,232,216	0.53
Paddy Power Plc	6,531	1,185,380	0.51
		2,417,596	1.04
<i>Italy</i>			
Atlantia SpA	5,802	913,503	0.39
Davide Campari-Milano SpA	9,989	623,086	0.27
Enel SpA	8,959	339,906	0.15
ENI SpA	19,907	3,667,547	1.57
Intesa Sanpaolo SpA	33,290	835,346	0.36
Italcementi SpA	8,547	760,223	0.33
Mediobanca SpA	7,731	717,229	0.31
Snam Rete Gas SpA	28,889	987,870	0.42
Telecom Italia SpA	133,083	1,433,273	0.61
Terna Rete Elettrica Nazionale SpA	31,807	825,955	0.35
		11,103,938	4.76
<i>Netherlands</i>			
ArceclorMittal	5,772	1,476,136	0.63
ASML Holding NV	6,759	1,138,820	0.49
Koninklijke Ahold NV	17,500	1,565,935	0.67
Koninklijke KPN NV	22,079	2,365,544	1.01
Royal Dutch Shell Plc-B	16,649	3,284,795	1.41
Unilever NV	7,756	1,455,632	0.62
		11,286,862	4.83
<i>Norway</i>			
DnB NOR ASA	17,800	1,056,789	0.45
		1,056,789	0.45

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal European Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>Spain</i>			
ACS Actividades de Construcción y Servicios SA	4,757	1,875,031	0.80
Banco Bilbao Vizcaya Argentaria SA	21,941	2,144,687	0.92
Banco Santander SA	57,966	5,425,217	2.33
Construcciones y Auxiliar de Ferrocarriles SA	178	621,036	0.27
Grifols SA	7,271	1,000,898	0.43
Mapfre SA	20,580	522,039	0.22
Telefonica SA	26,059	4,592,961	1.97
		16,181,869	6.94
<i>Sweden</i>			
Alfa Laval AB	12,577	934,609	0.40
Assa Abloy AB	9,698	1,052,606	0.45
Atlas Copco AB-A	15,920	1,241,700	0.53
Ecolab AB-B	11,397	1,239,890	0.53
Hennes & Mauritz AB-B	3,592	1,396,279	0.60
Skanska AB-B	9,200	801,165	0.34
Svenska Cellulosa AB-B	11,183	914,573	0.39
Svenska Handelsbanken AB-A	7,177	1,056,153	0.45
Swedbank AB-A	11,300	512,271	0.22
Telefonaktiebolaget LM Ericsson-B	5,108	390,411	0.17
		9,539,657	4.08
<i>Switzerland</i>			
ABB Ltd-REG	13,780	1,688,172	0.72
Acelion Ltd-REG	2,179	888,520	0.38
Baloise Holding AG-REG	2,056	1,189,343	0.51
Credit Suisse Group-REG	9,632	3,426,714	1.47
Geberit AG-REG	551	528,005	0.23
Nestle SA-REG	20,927	6,142,178	2.62
Novartis AG-REG	8,171	2,581,085	1.11
Roche Holding AG-GENUSSCHEIN	4,931	5,223,904	2.24
Syngenta AG-REG	1,312	2,373,803	1.02
UBS AG-REG	5,945	566,704	0.24
Xstrata Plc	22,618	1,922,133	0.82
Zurich Financial Services AG-REG	1,553	2,132,029	0.91
		28,662,590	12.27
<i>United Kingdom</i>			
3i Group Plc	27,584	863,055	0.37
Anglo American Plc	4,058	925,237	0.40
AstraZeneca Plc	9,954	3,436,813	1.47
Autonomy Corp Plc	9,043	1,680,099	0.72
Babcock International Group	17,798	1,106,833	0.47
Barclays Plc	84,981	3,109,381	1.33
Barratt Developments Plc	12,096	230,674	0.10
Berkley Group Holdings Plc	4,862	505,402	0.22
BG Group Plc	29,690	3,907,721	1.68
BHP Billiton Plc	17,283	3,047,889	1.31

Principal European Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>United Kingdom <i>(continued)</i></i>			
BP Plc	91,299	5,639,983	2.42
British American Tobacco Plc	12,550	2,671,336	1.15
Catlin Group Ltd	15,317	636,184	0.27
Cobham Plc	39,950	892,020	0.38
Compass Group Plc	28,815	1,273,189	0.55
EasyJet Plc	18,127	633,370	0.27
G4S Plc	36,354	979,995	0.42
GlaxoSmithKline Plc	20,245	2,796,778	1.20
HSBC Holdings Plc	97,179	6,313,558	2.71
ICAP Plc	13,038	760,244	0.33
Imperial Tobacco Group Plc	8,571	1,748,655	0.75
Inchcape Plc	264,057	648,660	0.28
Inmarsat Plc	13,705	966,584	0.41
Kingfisher Plc	57,654	1,325,338	0.57
Micro Focus International Plc	21,658	1,048,663	0.45
National Grid Plc	6,125	433,567	0.19
Persimmon Plc	4,937	223,407	0.10
Petrofac Ltd	9,607	832,201	0.36
Randgold Resources Ltd	1,931	979,663	0.42
Reckitt Benckiser Group Plc	5,025	1,797,024	0.77
Rio Tinto Plc	9,380	2,552,822	1.09
Rotorok Plc	6,141	657,011	0.28
Royal & Sun Alliance Insurance Group	67,140	1,043,401	0.45
Royal Dutch Shell Plc-A	19,017	3,732,325	1.60
Shire Plc	9,481	1,024,156	0.44
Smiths Group Plc	4,464	404,872	0.17
Standard Chartered Plc	14,915	2,198,334	0.94
Tesco Plc	19,599	896,008	0.38
Unilever Plc	8,311	1,530,132	0.66
Vodafone Group Plc	348,100	5,274,694	2.26
WM Morrison Supermarkets Plc	35,386	1,082,003	0.46
Wolseley Plc	2,750	411,725	0.18
WPP Group Plc	17,127	892,938	0.38
		73,113,944	31.36
<b>Total listed shares</b>		216,662,373	92.89
<b>Options/warrants</b>			
<i>United Kingdom</i>			
Rio Tinto Plc-Rights	3,765	339,751	0.15
<b>Total options/warrants</b>		339,751	0.15
<b>Total investment</b>		217,002,124	93.04
<b>Other net assets</b>		16,223,787	6.96
<b>Total net asset value</b>		233,225,911	100.00
<b>Total cost of investment</b>		218,255,567	

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal Hong Kong Dollar Savings Fund				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HK\$ equivalent</i>	% of NAV
<b>Listed / quoted debt instruments</b>				
<b>Certificates of deposit</b>				
<i>Denominated in Hong Kong Dollars</i>				
Bank of Communications Hong Kong Branch	04/08/2009	29,000,000	29,008,700	2.72
Bank of East Asia Ltd-1.38%	30/04/2010	40,000,000	40,088,000	3.77
Bank of East Asia Ltd-2.65%	09/04/2010	11,000,000	11,081,873	1.04
China Construction Bank Corp-1.4%	13/01/2010	18,000,000	18,059,400	1.70
China Construction Bank Corp-3.13%	07/08/2009	25,000,000	25,057,500	2.35
CITIC Ka Wah Bank Ltd-4.17%	02/11/2009	50,000,000	50,507,650	4.74
Dah Sing Bank-1.37%	22/02/2010	60,000,000	60,192,000	5.66
Deutsche Bank AG Hong Kong-4.77%	20/07/2009	14,000,000	14,020,958	1.32
ICBC Asia Ltd-4.44%	10/05/2010	2,500,000	2,573,000	0.24
Standard Chartered Bank Hong Kong Ltd-1.25%	16/03/2010	50,000,000	50,070,000	4.70
Wing Lung Bank Ltd-1.36%	30/04/2010	40,000,000	40,084,000	3.76
Wing Hang Bank Ltd-2.53%	19/04/2010	45,000,000	45,508,500	4.27
Wing Hang Bank Ltd-2.89%	01/09/2009	30,000,000	30,114,000	2.83
<b>Total certificates of deposit</b>			<b>416,365,581</b>	<b>39.10</b>
<b>Non-certificates of deposit</b>				
<i>Denominated in Hong Kong Dollars</i>				
Asian Development Bank-4.28%	21/09/2009	51,000,000	51,447,525	4.83
General Electric Capital Corp-Floating	05/10/2009	15,000,000	14,947,500	1.40
Hong Kong Mortgage Corp-2.93%	17/09/2010	50,000,000	51,065,000	4.80
Hong Kong Mortgage Corp-3.123%	02/05/2011	20,000,000	20,558,000	1.93
Hong Kong Mortgage Corp-3.53%	23/07/2009	25,000,000	25,038,900	2.35
Hong Kong Mortgage Corp-3.68%	13/12/2010	5,000,000	5,170,000	0.49
Hong Kong Mortgage Corp-3.78%	04/04/2011	2,000,000	2,078,200	0.20
Hong Kong Mortgage Corp-3.8%	06/04/2011	7,000,000	7,279,384	0.68
Hong Kong Mortgage Corp-4.018%	20/07/2010	2,000,000	2,061,400	0.19
Hong Kong Mortgage Corp-4.252%	21/06/2010	2,500,000	2,577,750	0.24
Hong Kong Mortgage Corp-4.55%	15/03/2011	1,000,000	1,051,400	0.10
Hong Kong Mortgage Corp-Floating	15/06/2010	25,000,000	24,907,750	2.34
Hong Kong Treasury Bill-0%	16/09/2009	10,000,000	9,998,230	0.94
International Finance Corp-4.45%	01/09/2009	20,000,000	20,134,000	1.89
MTR Corp (Cayman Islands) Ltd -2.15%	22/04/2010	12,000,000	12,113,268	1.14
MTR Corp (Cayman Islands) Ltd -4.15%	13/11/2009	9,000,000	9,109,800	0.86
Standard Chartered Bank-2%	19/03/2010	10,000,000	10,066,000	0.95
<b>Total non-certificates of deposit</b>			<b>269,604,107</b>	<b>25.33</b>
<b>Total listed / quoted debt instruments</b>			<b>685,969,688</b>	<b>64.43</b>
<b>Total investment</b>			<b>685,969,688</b>	<b>64.43</b>
<b>Other net assets</b>			<b>378,760,331</b>	<b>35.57</b>
<b>Total net asset value</b>			<b>1,064,730,019</b>	<b>100.00</b>
<b>Total cost of investment</b>			<b>686,584,806</b>	

Principal Hong Kong Equity Fund				
Investments		Portfolio holdings	Market value <i>HKS/HK\$ equivalent</i>	% of NAV
<b>Listed shares</b>				
<i>China</i>				
Air China Ltd-H		1,424,000	5,411,200	0.38
Aluminum Corp of China Ltd-H		1,290,000	9,468,600	0.67
Anta Sports Products Ltd		1,000,000	9,690,000	0.69
Asia Cement (China) Holdings Corp		1,120,000	6,339,200	0.45
Bank of China Ltd-H		1,641,000	6,055,290	0.43
Bank of Communications Co Ltd-H		2,096,000	18,214,240	1.30
Belle International Holdings Ltd		2,544,000	17,350,080	1.23
China BlueChemical Ltd-H		1,342,000	5,461,940	0.39
China Citic Bank-H		2,782,000	13,993,460	0.99
China Communications Services Corp Ltd-H		1,668,000	7,989,720	0.57
China Construction Bank Corp-H		8,520,000	51,205,201	3.64
China Dongxiang (Group) Co		2,970,000	15,473,700	1.10
China Life Insurance Co Ltd-H		772,000	22,002,000	1.56
China Merchants Bank Co Ltd-H		942,500	16,719,950	1.19
China National Building Material Co Ltd-H		598,000	8,981,960	0.64
China Petroleum & Chemical Corp-H		3,772,000	22,292,520	1.59
China Railway Group Ltd-H		2,603,000	16,216,690	1.15
China Shenhua Energy Co Ltd-H		1,161,000	33,146,550	2.36
China Shipping Development Co Ltd-H		678,000	6,780,000	0.48
China Southern Airlines Co Ltd-H		3,840,000	8,256,000	0.59
China Telecom Corp Ltd-H		5,522,000	21,314,920	1.52
Dongfeng Motor Group Co Ltd-H		1,634,000	10,686,360	0.76
Golden Eagle Retail Group Ltd		1,070,000	9,630,000	0.68
Great Wall Motor Co Ltd-H		708,000	4,354,200	0.31
Guangzhou Pharmaceutical Co Ltd-H		1,258,000	5,245,860	0.37
Hidilil Industry International Development Ltd		890,000	5,420,100	0.39
Huadian Power International Co-H		3,286,000	8,017,840	0.57
Industrial & Commercial Bank of China-H		5,048,000	27,259,200	1.94
Jiangxi Copper Co Ltd-H		663,000	8,420,100	0.60
Kingsoft Corp Ltd		1,070,000	5,788,700	0.41
KWG Property Holding Ltd		1,448,000	8,079,840	0.57
PetroChina Co Ltd-H		2,683,485	23,077,971	1.64
Ping An Insurance (Group) Co of China Ltd-H		434,500	22,789,525	1.62
Shimao Property Holdings Ltd		1,331,000	20,044,860	1.42
Sichuan Expressway Co Ltd-H		2,444,000	7,820,800	0.56
Sino-Ocean Land Holdings Ltd		1,143,000	10,138,410	0.72
Tencent Holdings Ltd-H		337,487	30,525,699	2.17
Vinda International Holdings Ltd		2,381,000	10,309,730	0.73
Weichai Power Co Ltd-H		275,000	7,067,500	0.50
Xinao Gas Holdings Ltd		1,002,000	13,266,480	0.94
Zhejiang Expressway Co Ltd-H		1,480,000	9,102,000	0.65
Zijin Mining Group Co Ltd-H		1,432,000	10,038,320	0.71
ZTE Corp-H		300,500	8,873,450	0.57
			<b>587,530,166</b>	<b>41.75</b>
<i>Hong Kong</i>				
BOC Hong Kong (Holdings) Ltd		2,128,000	28,898,240	2.06
Cafe de Coral Holdings Ltd		366,000	5,658,360	0.40
Cheung Kong (Holdings) Ltd		233,782	20,829,976	1.48
Cheung Kong Infrastructure Holdings Ltd		420,000	11,424,000	0.81
China Insurance International Holdings Co Ltd		555,000	9,102,000	0.65
China Mengniu Dairy Co Ltd		563,000	10,167,780	0.72
China Mobile Ltd		768,993	59,673,857	4.24
China Overseas Land & Investment Ltd		360,548	6,489,864	0.46
China Resources Land Ltd		690,000	11,854,200	0.84

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal Hong Kong Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value HK\$/HK\$ equivalent	% of NAV
<i>Listed shares (continued)</i>			
<i>Hong Kong (continued)</i>			
China State Construction International Holdings Ltd	1,720,000	4,609,600	0.33
CLP Holdings Ltd	195,500	10,048,700	0.71
CNOOC Ltd	3,533,040	33,952,514	2.41
COSCO International Holdings Ltd	2,354,000	9,157,060	0.65
Dah Sing Financial Holdings Ltd	186,000	5,877,600	0.42
Esprit Holdings Ltd	145,400	6,288,550	0.45
First Pacific Co	3,580,000	15,931,000	1.13
Galaxy Entertainment Group Ltd	3,066,000	6,254,640	0.45
Great Eagle Holdings Ltd	786,000	12,780,360	0.91
Guangdong Investment Ltd	2,750,000	10,505,000	0.75
Hang Seng Bank Ltd	80,819	8,809,271	0.63
HKR International Ltd	2,290,400	7,329,280	0.52
Hong Kong Exchanges and Clearing Ltd	316,200	38,165,340	2.71
Hongkong Electric Holdings	210,500	9,072,550	0.65
Hongkong Land Holdings Ltd	891,000	24,444,742	1.74
Hopewell Highway Infrastructure Ltd	45,650	198,121	0.01
Hopewell Holdings	456,500	11,092,950	0.79
HSBC Holdings Plc	1,681,300	110,377,345	7.85
Hutchison Whampoa Ltd	838,982	42,494,438	3.02
Hysan Development Co Ltd	786,000	15,641,400	1.11
Jardine Matheson Holdings Ltd	80,928	17,197,715	1.22
K Wah International Holdings Ltd	4,375,000	12,381,250	0.88
Midland Holdings Ltd	1,400,000	6,608,000	0.47
MTR Corp	656,000	15,252,000	1.08
Neo-China Land Group (Holdings) Ltd	1,088,000	-	0.00
New World Development Ltd	1,442,000	20,216,840	1.44
Noble Group Ltd	1,693,000	16,506,476	1.17
Pacific Basin Shipping Ltd	2,712,000	13,424,400	0.95
Shui On Land Ltd	2,715,350	14,418,509	1.03
Sun Hung Kai Properties Ltd	522,793	50,606,362	3.60
TPV Technology Ltd	1,764,000	6,121,080	0.44
Wharf (Holdings) Ltd	679,250	22,313,363	1.59
Wing Hang Bank Ltd	220,000	14,938,000	1.06
Xinyi Glass Holdings Co Ltd	990,000	6,613,200	0.47
Yue Yuen Industrial (Holdings) Ltd	901,000	16,452,260	1.17
		780,178,193	55.47
<b>Total listed shares</b>		1,367,708,359	97.22
<i>Delisted shares</i>			
<i>Hong Kong</i>			
Moulin Global Eyecare Holdings	514,000	-	0.00
<b>Total delisted shares</b>		-	0.00
<b>Total investment</b>		1,367,708,359	97.22
<b>Other net assets</b>		39,048,366	2.78
<b>Total net asset value</b>		1,406,756,725	100.00
<b>Total cost of investment</b>		1,245,694,732	

Principal International Bond Fund				
Investments	Maturity	Portfolio holdings	Market value HK\$/HK\$ equivalent	% of NAV
<i>Listed / quoted debt instruments</i>				
<i>Denominated in Australian Dollars</i>				
Commonwealth Bank of Australia -4.375%	17/02/2014	700,000	4,188,050	0.18
Macquarie Bank Ltd-5%	25/02/2014	500,000	2,999,176	0.13
Queensland Treasury Corp-6%	14/06/2011	250,000	1,624,087	0.07
Queensland Treasury Corp-6%	14/09/2017	500,000	3,111,808	0.13
			11,923,121	0.51
<i>Denominated in British Pounds</i>				
Arsenal Securities Plc-5.1418%	01/09/2029	200,000	1,850,329	0.08
Banca Intesa SpA-Floating	19/12/2016	175,000	2,138,761	0.09
Bank Nederlandse Gemeenten-5.2%	07/12/2028	200,000	2,683,403	0.11
DnB NOR Bank ASA-Floating	31/01/2049	175,000	1,391,486	0.06
EGG Banking Plc-Floating	29/05/2049	200,000	1,305,831	0.06
GE Capital UK Funding-Floating	30/01/2012	200,000	2,286,867	0.10
Hutchison Whampoa Finance UK Plc-5.625%	24/11/2017	100,000	1,204,301	0.05
National Grid Electricity Transmission Plc-7.375%	13/01/2031	350,000	5,216,551	0.22
Northern Rock Plc-6.375%	02/12/2019	400,000	2,836,110	0.12
Rabobank Capital Funding Trust -Floating	31/12/2049	200,000	1,904,160	0.08
Santander Issuances-Floating	31/01/2018	200,000	2,326,872	0.10
Scottish & Southern Energy Plc-5.75%	05/02/2014	200,000	2,672,845	0.11
Skandinaviska Enskilda Banken AB -Floating	28/11/2049	175,000	1,583,805	0.07
Standard Chartered Bank-7.75%	03/04/2018	300,000	3,994,443	0.17
Svenska Handelsbanken AB-Floating	29/09/2049	250,000	2,408,528	0.10
Svenska Handelsbanken AB-Floating	18/12/2049	175,000	1,710,200	0.07
United Kingdom Gilt-4.25%	07/03/2011	1,100,000	14,907,704	0.63
United Kingdom Gilt-4.25%	07/12/2027	2,675,000	34,370,701	1.46
United Kingdom Gilt-4.25%	07/03/2036	340,000	4,280,475	0.18
United Kingdom Gilt-4.5%	07/03/2019	1,200,000	16,519,409	0.70
United Kingdom Gilt-4.75%	07/09/2015	400,000	5,692,751	0.24
United Kingdom Gilt-4.75%	07/03/2020	400,000	5,655,929	0.24
United Kingdom Gilt-5%	07/03/2018	400,000	5,819,456	0.25
			124,760,917	5.29
<i>Denominated in Canadian Dollars</i>				
Canada Housing Trust-3.55%	15/09/2013	1,000,000	6,933,463	0.29
Canada Housing Trust-4.1%	15/12/2018	1,030,000	7,074,490	0.30
Canadian Government-3.75%	01/06/2019	950,000	6,589,087	0.28
City of Vancouver-4.7%	01/12/2017	400,000	2,738,911	0.12
City of Winnipeg-5.9%	02/02/2029	125,000	885,828	0.04
Kreditanstalt fuer Wiederaufbau-4.95%	14/10/2014	640,000	4,580,886	0.19
Province of Quebec Canada-5.25%	01/10/2013	600,000	4,402,515	0.19
Province of Quebec Canada-5.35%	01/06/2025	1,500,000	10,416,015	0.44
Province of Quebec Canada-5.5%	01/12/2014	345,000	2,575,526	0.11
Province of Ontario Canada-5.85%	08/03/2033	100,000	755,061	0.03
Province of Quebec Canada-6%	01/10/2012	500,000	3,731,538	0.16
			50,683,320	2.15

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in Danish Krone</i>				
Denmark Government-4%	15/11/2010	650,000	982,231	0.04
Denmark Government-4%	15/11/2015	3,350,000	5,091,534	0.22
Denmark Government-5%	15/11/2013	2,250,000	3,587,368	0.15
			9,661,133	0.41
<i>Denominated in Euro</i>				
ABN Amro Bank NV-3.25%	21/09/2015	450,000	4,608,605	0.20
Air Liquide SA-5%	22/03/2013	200,000	2,259,214	0.10
Austria Government-4.35%	15/03/2019	3,960,000	44,009,111	1.87
Autourous du Sud de la France-7.375%	20/03/2019	500,000	5,926,158	0.25
Aviva Plc-Floating	29/09/2049	200,000	1,152,835	0.05
Banca Monte dei Paschi di Siena SpA-6%	20/06/2011	250,000	2,876,284	0.12
Bank of Scotland Plc-5.5%	27/07/2009	1,000,000	10,879,101	0.46
Banque Federative du Credit Mutuel-Floating	30/04/2010	250,000	2,720,680	0.12
BAT International Finance Plc-5.375%	29/06/2017	600,000	6,624,828	0.28
BBVA Subordinated Capital SAU-Floating	03/04/2017	200,000	1,802,817	0.08
Belgium Government-3.75%	28/09/2015	850,000	9,513,408	0.40
BES Finance Ltd-Floating	21/04/2011	250,000	2,601,956	0.11
BNP Paribas-5.25%	17/12/2012	400,000	4,578,306	0.19
BNP Paribas-Floating	13/04/2049	250,000	1,687,901	0.07
BNP Paribas-Floating	29/09/2049	350,000	3,367,601	0.14
Bortling Holdings-4.75%	08/11/2010	200,000	2,228,624	0.09
Bred-Banque Populaire-6.437%	18/06/2018	400,000	4,104,100	0.17
Bundesrepublik Deutschland-3.75%	04/01/2019	1,800,000	20,341,470	0.86
Bundesrepublik Deutschland-4%	04/01/2037	630,000	6,625,832	0.28
Bundesrepublik Deutschland-4.75%	04/07/2028	1,240,000	14,388,837	0.61
Bundesrepublik Deutschland-5%	04/01/2012	2,890,000	34,126,167	1.45
Bundesrepublik Deutschland-6.25%	04/01/2024	750,000	10,220,068	0.43
Caisse d'Amort Dette Soc-3.75%	25/10/2020	300,000	3,121,816	0.13
Commerzbank AG-6.125%	02/05/2011	1,000,000	11,212,975	0.48
Corp Andina de Fomento-Floating	16/11/2011	200,000	1,942,122	0.08
Credit Suisse Group Finance Guernsey Ltd-Floating	23/01/2018	700,000	6,721,801	0.29
Czech Republic-5%	11/06/2018	2,000,000	21,545,869	0.92
Dexia Credit Local-2.625%	23/03/2011	500,000	5,506,363	0.23
DnB NOR Bank ASA-5.875%	20/06/2013	350,000	4,042,028	0.17
DnB NOR Bank ASA-Floating	30/05/2017	250,000	2,150,845	0.09
Electricite De France-5.125%	23/01/2015	250,000	2,889,495	0.12
France Government-3.75%	25/04/2017	2,000,000	22,366,776	0.95
France Government-4.25%	25/10/2017	1,200,000	13,755,794	0.58
GE Capital European Funding -Floating	06/09/2011	300,000	3,158,041	0.13
Hellenic Republic-3.6%	20/07/2016	2,785,000	29,489,226	1.25
Hellenic Republic-4.1%	20/08/2012	4,230,000	47,826,504	2.03
Hellenic Republic-4.3%	20/03/2012	400,000	4,538,389	0.19
Hellenic Republic-5.5%	20/08/2014	2,250,000	26,567,094	1.13
ING Bank NV-Floating	16/09/2020	250,000	2,065,518	0.09
International Lease Finance Corp-Floating	15/08/2011	250,000	2,011,759	0.09
Intesa Sanpaolo SpA-5%	28/04/2011	100,000	1,140,025	0.05
Intesa Sanpaolo SpA-Floating	26/06/2018	450,000	4,701,740	0.20
Italy Buoni Poliennali Del Tesoro-3.75%	01/08/2021	1,295,000	13,033,007	0.55
Italy Buoni Poliennali Del Tesoro-4.25%	01/02/2015	2,985,000	34,135,356	1.45
Italy Buoni Poliennali Del Tesoro-5%	01/02/2012	3,250,000	37,985,940	1.62
Italy Buoni Poliennali Del Tesoro-5%	01/08/2034	1,400,000	14,927,964	0.64
Italy Buoni Poliennali Del Tesoro-5.25%	01/11/2029	800,000	8,865,013	0.38

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in Euro <i>(continued)</i></i>				
JPMorgan Chase & Co-Floating	12/10/2015	250,000	2,260,869	0.10
Keycorp-Floating	22/11/2010	250,000	2,388,209	0.10
Kreditanstalt fuer Wiederaufbau-3.125%	25/02/2014	400,000	4,391,243	0.19
Kreditanstalt fuer Wiederaufbau-3.5%	04/07/2021	235,000	2,375,084	0.10
Kreditanstalt fuer Wiederaufbau-3.875%	04/07/2013	450,000	5,121,142	0.22
Macquarie Bank Ltd-Floating	06/12/2016	350,000	2,487,433	0.11
Metropolitan Life Global Funding 1-4.625%	16/05/2017	200,000	1,655,532	0.07
Natixis-4.125%	20/01/2017	500,000	4,208,632	0.18
Natixis-Floating	14/05/2019	500,000	3,657,609	0.16
Nederlandse Waterschapbank NV-4%	27/03/2013	150,000	1,697,137	0.07
Netherlands Government-4%	15/07/2018	2,370,000	26,501,261	1.13
Nordea Bank AB-Floating	10/09/2018	100,000	1,071,630	0.05
Northern Rock Plc-4.125%	27/03/2017	200,000	1,846,007	0.08
Philip Morris International Inc-5.75%	24/03/2016	500,000	5,798,955	0.25
Portugal Obrigoscos do Tesouro-3.2%	15/04/2011	2,250,000	25,263,979	1.07
Refer-Rede Ferroviaria Nacional SA-5.875%	18/02/2019	300,000	3,415,220	0.15
Roche Holdings Inc-6.5%	04/03/2021	500,000	6,252,487	0.27
RTE EDF Transport SA-5.125%	12/09/2018	350,000	3,980,352	0.17
RWE Finance BV-5%	10/02/2015	300,000	3,455,070	0.15
Scottish & Southern Energy Plc-6.125%	29/07/2013	200,000	2,330,133	0.10
SNS Bank NV-Floating	02/06/2010	400,000	4,315,905	0.18
Societe Generale-Floating	18/12/2014	300,000	3,173,205	0.13
Societe Generale-Floating	12/03/2019	115,000	1,150,922	0.05
Standard Chartered Plc-5.75%	30/04/2014	500,000	5,623,823	0.24
Svenska Handelsbanken AB-Floating	20/04/2016	600,000	5,983,838	0.25
Swedbank AB-Floating	06/05/2010	250,000	2,702,492	0.11
Swedish Housing Finance Corp-Floating	25/05/2010	300,000	3,278,543	0.14
Telecom Italia SpA-8.25%	21/03/2016	500,000	6,170,069	0.26
Telefonica Emisiones SAU-5.496%	01/04/2016	400,000	4,601,622	0.20
The Royal Bank of Scotland Plc-4.35%	23/01/2017	1,000,000	7,942,334	0.34
UniCredit SpA-6.7%	05/06/2018	400,000	3,817,705	0.16
Ureenco Finance NV-5.375%	22/05/2015	400,000	4,327,591	0.18
Vodafone Group Plc-Floating	13/01/2012	250,000	2,628,145	0.11
Wachovia Bank NA-6%	23/05/2013	400,000	4,489,432	0.19
WM Covered Bond Program-4.375%	19/05/2014	250,000	2,546,270	0.11
Xstrata Canada Financial Corp-5.875%	27/05/2011	400,000	4,345,806	0.18
Zurich Finance USA Inc-6.5%	14/10/2015	700,000	8,126,152	0.35
			707,727,801	30.07
<i>Denominated in Hungarian Forint</i>				
Hungary Government-6%	12/10/2011	65,000,000	2,409,655	0.10
Hungary Government-6.25%	24/08/2010	6,000,000	231,286	0.01
			2,640,941	0.11
<i>Denominated in Japanese Yen</i>				
Aflac Inc-0.71%	20/07/2010	100,000,000	7,918,927	0.34
American Express Credit Corp-1.85%	30/07/2012	200,000,000	13,003,069	0.55
Citigroup Inc-0.74%	16/09/2010	200,000,000	15,308,036	0.65
Development Bank of Japan-1.6%	20/06/2014	210,000,000	17,334,111	0.74
DSL Bank AG-1.75%	07/10/2009	133,000,000	10,818,231	0.46
Esportfinans A/S-1.8%	21/06/2010	110,000,000	8,978,169	0.38
Export-Import Bank of Korea-1.84%	26/06/2012	100,000,000	7,372,547	0.31
HSBC Finance Corp-2.01%	20/07/2012	200,000,000	13,007,724	0.55
Italian Republic-1.8%	23/02/2010	91,000,000	7,385,682	0.31

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed / quoted debt instruments (continued)</i>				
<i>Denominated in Japanese Yen (continued)</i>				
Japan Government Ten Year-1%	20/12/2012	460,000,000	37,936,792	1.61
Japan Government Ten Year-1.5%	20/09/2014	146,000,000	12,288,008	0.52
Japan Government Ten Year-1.6%	20/12/2015	430,000,000	36,410,064	1.55
Japan Government Ten Year-1.7%	20/03/2017	1,341,000,000	113,814,398	4.85
Japan Government Twenty Year-1.9%	22/03/2021	686,100,000	57,672,607	2.46
Japan Government Twenty Year-1.9%	20/03/2024	100,000,000	8,241,395	0.35
Japan Government Thirty Year-2.3%	20/12/2035	226,750,000	18,778,079	0.80
Korea Development Bank-1.94%	12/10/2012	100,000,000	7,235,202	0.31
Kreditanstalt fuer Wiederaufbau-1.85%	20/09/2010	20,000,000	1,640,367	0.07
Merrill Lynch & Co Inc-1.07%	13/12/2010	100,000,000	7,683,255	0.33
Rabobank Nederland NV-1.05%	22/01/2010	35,000,000	2,826,145	0.12
			405,652,808	17.26
<i>Denominated in Mexican Pesos</i>				
Mexican Bonos-7.25%	15/12/2016	5,000,000	2,833,259	0.12
Mexican Bonos-8%	23/12/2010	1,000,000	616,744	0.03
Mexican Bonos-9%	24/12/2009	1,540,000	925,552	0.04
Mexican Bonos-9%	22/12/2011	3,129,300	1,977,206	0.08
			6,352,761	0.27
<i>Denominated in New Zealand Dollars</i>				
Inter-American Development Bank-7.25%	24/05/2012	400,000	2,163,462	0.09
New Zealand Government-6%	15/12/2017	500,000	2,536,484	0.11
			4,699,946	0.20
<i>Denominated in Norwegian Krone</i>				
Norway Government-6.5%	15/05/2013	1,550,000	2,111,536	0.09
			2,111,536	0.09
<i>Denominated in Polish Zloty</i>				
Poland Government-5.25%	25/10/2017	1,800,000	4,143,211	0.18
Poland Government-5.5%	25/10/2019	800,000	1,823,885	0.08
			5,967,096	0.26
<i>Denominated in Singapore dollars</i>				
SP PowerAssets Ltd-2.8%	30/10/2012	750,000	3,932,975	0.17
SP PowerAssets Ltd-4.665%	18/08/2020	250,000	1,278,979	0.05
			5,211,954	0.22
<i>Denominated in South African Rand</i>				
South Africa Government-8.75%	21/12/2014	750,000	753,243	0.03
South Africa Government-13%	31/08/2010	1,600,000	1,697,559	0.07
			2,450,802	0.10

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed / quoted debt instruments (continued)</i>				
<i>Denominated in South Korean Won</i>				
Korea Treasury Bond-4.75%	10/03/2014	3,000,000,000	18,351,129	0.78
			18,351,129	0.78
<i>Denominated in Swedish Kronor</i>				
Sweden Government-3%	12/07/2016	7,250,000	7,235,929	0.31
Sweden Government-5.25%	15/03/2011	550,000	593,341	0.03
Sweden Government-5.5%	08/10/2012	3,245,000	3,626,064	0.15
			11,455,334	0.49
<i>Denominated in Thai Baht</i>				
Thailand Government-5.67%	13/03/2028	10,000,000	2,573,823	0.11
			2,573,823	0.11
<i>Denominated in United States Dollars</i>				
ACE INA Holdings Inc-5.9%	15/06/2019	130,000	1,009,877	0.04
Adjustable Rate Mortgage Trust-Floating	25/02/2035	31,095	125,976	0.01
Alabama Power Co-6%	01/03/2039	500,000	4,090,104	0.17
Allstate Life Global Funding Trusts-5.375%	30/04/2013	750,000	6,010,082	0.26
Altria Group Inc-9.7%	10/11/2018	750,000	6,663,760	0.28
American Express Bank FSB-5.5%	16/04/2013	1,000,000	7,605,659	0.32
Ameriquest Mortgage Securities Inc-Floating	25/08/2033	40,709	219,932	0.01
Anheuser-Busch InBev Worldwide Inc-5.375%	15/11/2014	250,000	1,954,793	0.08
Anheuser-Busch InBev Worldwide Inc-7.2%	15/01/2014	1,000,000	8,332,249	0.35
Baltimore Gas & Electric Co-6.125%	01/07/2013	145,000	1,172,717	0.05
Banc of America Commercial Mortgage Inc 2005-3 A3B-Floating	10/07/2043	195,000	1,372,299	0.06
Banc of America Commercial Mortgage Inc 2005-3 E-Floating	10/07/2043	55,000	145,706	0.01
Banc of America Commercial Mortgage Inc-Floating	10/07/2045	220,000	579,455	0.02
Banc of America Commercial Mortgage Inc-Floating	10/09/2045	145,000	1,083,782	0.05
Bank of America Corp-7.375%	15/05/2014	200,000	1,601,185	0.07
Barclays Bank Plc-5.45%	12/09/2012	1,500,000	12,120,407	0.51
Barclays Bank Plc-6.75%	22/05/2019	400,000	3,074,513	0.13
Baxter International Inc-4%	01/03/2014	400,000	3,131,377	0.13
Bear Stearns Commercial Mortgage Securities-Floating	20/05/2030	50,067	395,356	0.02
Canadian Oil Sands Ltd-4.8%	10/08/2009	120,000	931,091	0.04
Capital Auto Receivables Asset Trust-5.52%	15/03/2011	105,000	644,286	0.03
Cardinal Health Inc-5.65%	15/06/2012	90,000	718,273	0.03
Chevron Corp-3.95%	03/03/2014	1,000,000	7,979,172	0.34
Citigroup Inc-5.5%	11/04/2013	500,000	3,631,848	0.15
Citigroup Inc-5.875%	22/02/2033	115,000	659,206	0.03
Citigroup Inc-7.25%	01/10/2010	1,000,000	7,718,197	0.33
Citigroup/Deutsche Bank Commercial Mortgage Trust 2006-CD3 XP-Floating	15/10/2048	3,375,787	392,385	0.02

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
Citigroup/Deutsche Bank Commercial Mortgage Trust 2007-CD4 XP-Floating	11/12/2049	2,987,030	258,396	0.01
CMHI Finance BVI Co Ltd-6.125%	18/06/2013	500,000	3,987,377	0.17
Commercial Mortgage Pass Through Certificates-4.049%	15/10/2037	223,268	1,723,770	0.07
Commercial Mortgage Pass Through Certificates-Floating	15/08/2033	119,832	936,837	0.04
Commercial Mortgage Pass Through Certificates-Floating	10/12/2046	1,928,092	95,335	0.00
Commercial Mortgage Pass Through Certificates-Floating	10/12/2049	195,000	266,979	0.01
Commonwealth Edison Co-4.7%	15/04/2015	400,000	3,060,058	0.13
ConocoPhillips-4.6%	15/01/2015	500,000	3,982,150	0.17
Continental Airlines Inc-5.983%	19/04/2022	75,000	479,534	0.02
Cornell University-5.45%	01/02/2019	400,000	3,274,799	0.14
Countrywide Asset-Backed Certificates-Floating	25/01/2034	31,675	115,906	0.00
Countrywide Asset-Backed Certificates-Floating	25/01/2036	63,212	346,618	0.01
Countrywide Asset-Backed Certificates-Floating	25/04/2036	99,138	288,533	0.01
Countrywide Asset-Backed Certificates-Floating	25/08/2036	85,990	261,520	0.01
Countrywide Financial Corp-4.5%	15/06/2010	1,550,000	11,892,620	0.51
Credit Suisse Mortgage Capital Certificates-Floating	15/06/2038	80,000	452,524	0.02
Credit Suisse Mortgage Capital Certificates-Floating	15/09/2039	2,097,017	304,985	0.01
Credit Suisse Mortgage Capital Certificates-Floating	15/12/2039	2,673,165	451,033	0.02
Credit Suisse New York-5%	15/05/2013	1,000,000	7,923,054	0.34
CS First Boston Mortgage Securities Corp-Floating	15/03/2036	482,243	30,692	0.00
CS First Boston Mortgage Securities Corp-Floating	15/05/2036	548,321	23,891	0.00
CS First Boston Mortgage Securities Corp-Floating	15/07/2036	864,667	80,006	0.00
CS First Boston Mortgage Securities Corp-Floating	15/07/2037	140,000	382,729	0.02
CS First Boston Mortgage Securities Corp-Floating	15/11/2037	1,921,298	197,548	0.01
CS First Boston Mortgage Securities Corp-Floating	15/09/2041	45,000	347,410	0.01
CVS Caremark Corp-6.6%	15/03/2019	500,000	4,140,480	0.18
Deutsche Bank AG London-5.375%	12/10/2012	1,000,000	8,225,996	0.35
DLJ Commercial Mortgage Corp-7.62%	10/06/2033	86,845	690,399	0.03
Duke Energy Ohio Inc-5.45%	01/04/2019	500,000	4,031,774	0.17
Endurance Specialty Holdings Ltd-7%	15/07/2034	80,000	399,100	0.02
Export-Import Bank of Korea-4.5%	12/08/2009	70,000	542,442	0.02
Fannie Mae-3.875%	12/07/2013	3,000,000	24,473,572	1.04
Fannie Mae-7.125%	15/01/2030	60,000	599,768	0.03
First Union National Bank-7.8%	18/08/2010	140,000	1,129,188	0.05
First Union National Bank Commercial Mortgage-Floating	17/05/2032	10,000	76,867	0.00
Florida Power & Light Co-5.96%	01/04/2039	200,000	1,662,474	0.07
Florida Power Corp-5.65%	15/06/2018	190,000	1,571,306	0.07
Ford Credit Auto Owner Trust-5.3%	15/06/2012	90,000	675,288	0.03
Ford Credit Auto Owner Trust-5.6%	15/10/2012	40,000	275,078	0.01
France Telecom SA-5.375%	08/07/2019	160,000	1,248,973	0.05
Freddie Mac-5.125%	17/11/2017	1,000,000	8,505,897	0.36
Freddie Mac-6.25%	15/07/2032	225,000	2,071,937	0.09

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
GE Capital Commercial Mortgage Corp-Floating	10/11/2045	90,000	223,172	0.01
GE Capital Commercial Mortgage Corp-Floating	10/12/2049	4,764,162	277,473	0.01
General Dynamics Corp-1.8%	15/07/2011	535,000	4,138,706	0.18
General Electric Capital Corp-5.25%	19/10/2012	1,500,000	11,950,309	0.51
GMAC Commercial Mortgage Securities Inc-6.278%	15/11/2039	50,000	394,136	0.02
GNMA 3171-5.5%	20/12/2031	19,472	155,726	0.01
GNMA 3201-6.5%	20/02/2032	33,031	274,806	0.01
GNMA 3272-5.5%	20/08/2032	124,243	994,728	0.04
GNMA 3474-6%	20/11/2033	339,070	2,738,327	0.12
GNMA 3488-5.5%	20/12/2033	77,953	625,005	0.03
GNMA 3499-5%	20/01/2034	131,338	1,036,736	0.04
GNMA 3500-5.5%	20/01/2034	880,217	7,039,814	0.30
GNMA 3515-5.5%	20/02/2034	528,030	4,223,091	0.18
GNMA 3534-4%	20/04/2019	146,083	1,148,908	0.05
GNMA 3543-5%	20/04/2034	591,849	4,671,847	0.20
GNMA 3556-5.5%	20/05/2034	421,984	3,374,954	0.14
GNMA 3568-5%	20/06/2034	274,295	2,165,187	0.09
GNMA 3570-6%	20/06/2034	200,641	1,619,199	0.07
GNMA 3584-6%	20/07/2034	79,333	643,799	0.03
GNMA 3595-5%	20/08/2034	518,717	4,094,565	0.17
GNMA 3596-5.5%	20/08/2034	59,108	472,734	0.02
GNMA 3617-4.5%	20/10/2019	235,151	1,880,225	0.08
GNMA 3625-6%	20/10/2034	272,649	2,200,308	0.09
GNMA 3666-6%	20/01/2035	303,958	2,452,325	0.10
GNMA 3678-5.5%	20/02/2035	512,883	4,100,164	0.17
GNMA 3702-5.5%	20/04/2035	219,719	1,756,508	0.07
GNMA 3711-5.5%	20/05/2035	429,961	3,437,252	0.15
GNMA 3712-6%	20/05/2035	80,239	648,559	0.03
GNMA 3725-6%	20/06/2035	851,505	6,869,917	0.29
GNMA 3750-6.5%	20/08/2035	174,016	1,430,752	0.06
GNMA 3759-5%	20/09/2035	344,656	2,719,560	0.12
GNMA 3760-5.5%	20/09/2035	874,988	6,994,950	0.30
GNMA 3797-6%	20/12/2035	113,987	919,641	0.04
GNMA 3805-5%	20/01/2036	349,669	2,757,898	0.12
GNMA 3808-6%	20/01/2036	113,501	915,655	0.04
GNMA 3819-5.5%	20/02/2036	160,511	1,282,981	0.05
GNMA 3820-6%	20/02/2036	547,529	4,417,116	0.19
GNMA 3821-6.5%	20/02/2036	128,044	1,053,099	0.04
GNMA 3864-5.5%	20/06/2036	341,643	2,730,787	0.12
GNMA 3865-6%	20/06/2036	123,689	997,848	0.04
GNMA 3910-6%	20/10/2036	627,433	5,061,731	0.22
GNMA 3931-6%	20/12/2036	465,424	3,754,745	0.16
GNMA 3932-6.5%	20/12/2036	506,444	4,165,238	0.18
GNMA 3984-5%	20/05/2037	322,222	2,546,085	0.11
GNMA 4196-6.5%	20/07/2038	567,838	4,662,079	0.20
GNMA 429779-5.5%	15/12/2033	124,013	998,722	0.04
GNMA 511460-5%	15/04/2035	89,375	709,434	0.03
GNMA 531047-5.5%	15/11/2032	155,283	1,250,931	0.05
GNMA 553055-5.5%	15/02/2033	219,436	1,767,206	0.08
GNMA 562388-6%	15/08/2034	153,577	1,247,274	0.05
GNMA 570310-6%	15/02/2017	52,551	436,009	0.02
GNMA 574548-5.5%	15/04/2034	871,247	7,005,940	0.30
GNMA 592593-6%	15/02/2033	23,150	188,465	0.01
GNMA 593891-5.5%	15/03/2033	21,675	174,558	0.01
GNMA 604622-5%	15/09/2033	502,742	3,997,946	0.17
GNMA 605098-5%	15/03/2034	421,127	3,345,858	0.14
GNMA 605396-5%	15/05/2019	429,510	3,500,674	0.15
GNMA 615603-5.5%	15/07/2034	110,216	886,274	0.04

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
GNMA 615892-5%	15/08/2033	164,045	1,304,535	0.06
GNMA 616474-5%	15/06/2034	129,288	1,027,191	0.04
GNMA 618860-5%	15/08/2018	198,529	1,620,492	0.07
GNMA 620568-5%	15/09/2033	456,093	3,626,976	0.15
GNMA 621759-5.5%	15/12/2033	128,546	1,035,231	0.04
GNMA 640215-5.5%	15/03/2035	171,152	1,375,036	0.06
GNMA 644034-5.5%	15/08/2035	152,610	1,226,074	0.05
GNMA 649221-6%	15/09/2035	53,072	429,870	0.02
GNMA 651753-5.5%	15/03/2036	508,684	4,083,079	0.17
GNMA 651782-6%	15/04/2036	389,360	3,148,044	0.13
GNMA 654420-6.5%	15/08/2036	246,451	2,030,057	0.09
GNMA 661047-6%	15/11/2036	133,620	1,080,338	0.05
GNMA 661552-6.5%	15/12/2036	429,236	3,535,680	0.15
GNMA 663852-5.5%	15/02/2037	291,921	2,341,053	0.10
GNMA 671325-6%	15/07/2037	585,294	4,731,499	0.20
GNMA 685878-6%	15/05/2038	327,342	2,645,826	0.11
GNMA 699451-6%	15/10/2038	427,532	3,455,637	0.15
GNMA 700908-6%	15/11/2038	368,453	2,978,115	0.13
GNMA 781305-6.5%	15/06/2031	183,995	1,538,396	0.07
GNMA 781687-5.5%	15/12/2033	336,475	2,698,364	0.11
GNMA 782017-5.5%	15/12/2020	130,526	1,067,390	0.05
GNMA 782150-5.5%	15/04/2037	290,699	2,329,501	0.10
Great America Leasing Receivables-5.39%	15/09/2011	40,000	315,828	0.01
Greenwich Capital Commercial Funding Corp-Floating	10/06/2036	1,982,571	89,056	0.00
Greenwich Capital Commercial Funding Corp-Floating	10/07/2038	110,000	442,712	0.02
GTE California Inc-6.7%	01/09/2009	155,000	1,210,298	0.05
Hewlett-Packard Co-2.95%	15/08/2012	75,000	585,552	0.02
Household Finance Corp-4.125%	16/11/2009	150,000	1,168,923	0.05
Household Finance Corp-4.75%	15/07/2013	115,000	870,276	0.04
Household Finance Corp-6.375%	15/10/2011	1,000,000	7,924,790	0.34
ICI Wilmington Inc-5.625%	01/12/2013	45,000	338,369	0.01
Indymac Index Mortgage Loan Trust-Floating	25/04/2034	10,401	53,319	0.00
Ingersoll-Rand Global Holding Co Ltd-9.5%	15/04/2014	160,000	1,357,917	0.06
ITT Corp-6.125%	01/05/2019	180,000	1,433,707	0.06
Jefferies Group Inc-6.25%	15/01/2036	185,000	989,112	0.04
Jefferies Group Inc-6.45%	08/06/2027	135,000	769,630	0.03
Jersey Central Power & Light Co-6.15%	01/06/2037	500,000	3,624,288	0.15
JP Morgan Chase Commercial Mortgage Securities Corp-5.298%	15/05/2047	155,000	1,038,871	0.04
JP Morgan Chase Commercial Mortgage Securities Corp-5.593%	12/05/2045	85,000	340,432	0.01
JP Morgan Chase Commercial Mortgage Securities Corp-Floating	12/09/2037	25,000	59,241	0.00
JP Morgan Chase Commercial Mortgage Securities Corp-Floating	12/06/2047	525,000	1,979,993	0.08
JP Morgan Mortgage Acquisition Corp-Floating	25/11/2036	210,000	1,381,517	0.06
JP Morgan Mortgage Trust-Floating	25/06/2036	32,920	206,525	0.01
JP Morgan Mortgage Trust-Floating	25/04/2037	105,000	454,240	0.02
JP Morgan Chase & Co-4.65%	01/06/2014	500,000	3,864,803	0.16
JP Morgan Chase & Co-5.25%	01/05/2015	145,000	1,080,531	0.05
JP Morgan Chase & Co-6.3%	23/04/2019	500,000	3,897,593	0.17
JP Morgan Chase & Co-6.4%	15/05/2038	500,000	3,884,794	0.17
JP Morgan Chase & Co-6.75%	01/02/2011	1,000,000	8,102,390	0.34
Kinder Morgan Energy Partners LP-6.85%	15/02/2020	500,000	3,971,947	0.17
Kinder Morgan Energy Partners LP-9%	01/02/2019	500,000	4,407,395	0.19

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
Koninklijke KPN NV-8%	01/10/2010	175,000	1,423,091	0.06
Korea Development Bank-Floating	20/10/2009	95,000	730,793	0.03
Korea East-West Power Co Ltd-4.875%	21/04/2011	5,000	38,836	0.00
Kreditanstalt fuer Wiederaufbau-3.5%	10/03/2014	500,000	3,947,337	0.17
LB-UBS Commercial Mortgage Trust-Floating	15/08/2036	145,403	12,108	0.00
LB-UBS Commercial Mortgage Trust-Floating	15/07/2040	120,000	148,801	0.01
Lincoln National Corp-5.65%	27/08/2012	35,000	263,286	0.01
Long Beach Mortgage Loan Trust-Floating	25/06/2034	10,000	39,815	0.00
Marriott Vacation Club Owner Trust-5.518%	20/05/2029	50,786	312,183	0.01
Merrill Lynch & Co Inc-4.5%	04/11/2010	25,000	194,902	0.01
Merrill Lynch & Co Inc-4.79%	04/08/2010	1,000,000	7,790,939	0.33
Merrill Lynch Mortgage Trust-Floating	12/02/2042	174,086	11,871	0.00
Merrill Lynch/Countrywide Commercial Mortgage Trust-Floating	12/06/2050	195,000	337,268	0.01
Metropolitan Life Global Funding I-5.125%	09/11/2011	1,000,000	8,011,544	0.34
Morgan Stanley Capital I-Floating	14/04/2040	2,318,542	181,593	0.01
Morgan Stanley Capital I-Floating	12/04/2049	70,000	396,858	0.02
Morgan Stanley Capital I-Floating	12/04/2049	70,000	132,173	0.01
Morgan Stanley-5.05%	21/01/2011	1,500,000	11,854,298	0.50
Morgan Stanley-5.3%	01/03/2013	1,000,000	7,849,770	0.33
Morgan Stanley-6.625%	01/04/2018	500,000	3,863,036	0.16
National Australia Bank Ltd-5.35%	12/06/2013	1,000,000	7,982,598	0.34
National City Bank Cleveland OH -6.2%	15/12/2011	1,000,000	7,964,734	0.34
National Fuel Gas Co-5.25%	01/03/2013	25,000	190,357	0.01
New Century Home Equity Loan Trust-Floating	25/03/2035	3,830	12,680	0.00
Nokia Oyj-5.375%	15/05/2019	235,000	1,842,634	0.08
Northern Trust Corp-5.5%	15/08/2013	1,000,000	8,216,595	0.35
Option One Mortgage Loan Trust-Floating	25/01/2034	47,580	227,539	0.01
Option One Mortgage Loan Trust-Floating	25/05/2034	16,813	77,208	0.00
Option One Mortgage Loan Trust-Floating	25/11/2034	35,000	138,714	0.01
Oracle Corp-5%	08/07/2019	600,000	4,632,685	0.20
Pacific Life Insurance Co-9.25%	15/06/2039	750,000	5,641,195	0.24
Pacificorp-5.5%	15/01/2019	500,000	4,098,304	0.17
Petro-Canada-6.05%	15/05/2018	350,000	2,699,248	0.11
PNC Funding Corp-6.7%	10/06/2019	500,000	3,996,697	0.17
Province of Ontario Canada-4.1%	16/06/2014	500,000	3,951,785	0.17
Rabobank Nederland NV-4.2%	13/05/2014	435,000	3,362,624	0.14
Residential Asset Securities Corp-Floating	25/09/2034	84,332	309,312	0.01
Roche Holdings Inc-6%	01/03/2019	500,000	4,131,865	0.18
Royal Bank of Scotland Group Plc-5%	01/10/2014	1,000,000	6,195,452	0.26
SMFG Preferred Capital USD 2 Ltd-8.75%	31/05/2049	500,000	3,642,523	0.15
South Africa Government-6.5%	02/06/2014	125,000	1,014,772	0.04
Specialty Underwriting & Residential Finance-Floating	25/02/2035	13,429	51,370	0.00
Standard Chartered Plc-5.5%	18/11/2014	350,000	2,768,072	0.12
StatOilHydro ASA-5.25%	15/04/2019	200,000	1,595,148	0.07
Structured Asset Securities Corp-Floating	25/06/2036	75,000	143,919	0.01
Talisman Energy Inc-6.25%	01/02/2038	175,000	1,221,544	0.05
Talisman Energy Inc-7.75%	01/06/2019	145,000	1,244,892	0.05

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
Telecom Italia Capital SA-7.175%	18/06/2019	420,000	3,299,598	0.14
Telefonica Emisiones SAU-5.877%	15/07/2019	245,000	1,957,611	0.08
The Bank of New York Mellon Corp-4.5%	01/04/2013	155,000	1,222,433	0.05
The Bank of New York Mellon Corp-5.125%	27/08/2013	1,000,000	8,157,656	0.35
The Bear Stearns Companies Inc-5.3%	30/10/2015	300,000	2,284,132	0.10
The Goldman Sachs Group Inc-5.45%	01/11/2012	1,250,000	10,016,842	0.43
The Goldman Sachs Group Inc-5.7%	01/09/2012	1,500,000	12,169,093	0.52
The Goldman Sachs Group Inc-5.95%	18/01/2018	170,000	1,277,229	0.05
The Goldman Sachs Group Inc-6%	01/05/2014	150,000	1,213,263	0.05
The Goldman Sachs Group Inc-7.5%	15/02/2019	250,000	2,074,634	0.09
The Travelers Companies Inc-Floating	15/03/2037	55,000	343,544	0.01
TransCanada Pipelines Ltd-6.5%	15/08/2018	400,000	3,372,598	0.14
Union Electric Co-6.7%	01/02/2019	340,000	2,753,830	0.12
Union Planters Corp-4.375%	01/12/2010	50,000	375,503	0.02
United States Treasury Inflation Indexed Bonds-1.375%	15/07/2018	2,300,000	17,085,520	0.73
United States Treasury Note/Bond-1.5%	31/12/2013	5,550,000	41,430,035	1.76
United States Treasury Note/Bond-2.375%	31/03/2016	3,000,000	22,154,858	0.94
United States Treasury Note/Bond-3.125%	31/08/2013	6,000,000	48,175,053	2.05
United States Treasury Note/Bond-3.125%	15/05/2019	6,000,000	44,974,624	1.91
United States Treasury Note/Bond-4.5%	15/05/2038	1,100,000	8,800,789	0.37
United States Treasury Note/Bond-4.875%	15/08/2016	1,175,000	10,067,452	0.43
United States Treasury Note/Bond-6%	15/02/2026	2,185,000	20,423,825	0.87
United States Treasury Note/Bond-8.75%	15/05/2017	2,000,000	21,225,449	0.90
United States Treasury Note/Bond-11.25%	15/02/2015	2,000,000	22,340,727	0.95
Vanderbilt University-5.25%	01/04/2019	600,000	4,760,003	0.20
Verizon Communications Inc-6.35%	01/04/2019	1,500,000	12,093,460	0.51
Verizon Wireless Capital LLC-3.75%	20/05/2011	600,000	4,745,230	0.20
Wachovia Bank Commercial Mortgage Trust-Floating	15/10/2041	818,440	48,974	0.00
Wachovia Corp-5.5%	01/05/2013	1,000,000	8,005,832	0.34
Wells Fargo & Co-4.375%	31/01/2013	500,000	3,908,389	0.17
Wells Fargo Bank NA-7.55%	21/06/2010	1,000,000	8,126,485	0.35
Wells Fargo Home Equity Trust-Floating	25/04/2034	8,924	34,985	0.00
WPS Resources-7%	01/11/2009	135,000	1,055,582	0.04
WR Berkley Corp-6.25%	15/02/2037	55,000	294,818	0.01
Xstrata Finance Canada Ltd-5.5%	16/11/2011	65,000	496,389	0.02
			913,191,012	38.77
<b>Total listed / quoted debt instruments</b>			2,285,415,434	97.09
<b>Total investment</b>			2,285,415,434	97.09
<b>Other net assets</b>			68,487,085	2.91
<b>Total net asset value</b>			2,353,902,519	100.00
<b>Total cost of investment</b>			2,258,173,725	

Principal International Equity Fund				
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV	
<b>Listed shares</b>				
<i>Australia</i>				
BHP Billiton Ltd	30,267	6,612,762	0.55	
BlueScope Steel Ltd	79,259	1,261,836	0.10	
Foster's Group Ltd	86,617	2,807,011	0.23	
Rio Tinto Ltd	13,488	4,430,491	0.37	
		15,112,100	1.25	
<i>Belgium</i>				
Anheuser-Busch InBev NV	24,511	6,898,259	0.57	
Groupe Bruxelles Lambert SA	8,929	5,086,400	0.42	
Solvay SA	4,880	3,208,344	0.27	
		15,193,003	1.26	
<i>Canada</i>				
Canadian Natural Resources Ltd	15,700	6,453,446	0.54	
EnCana Corp	17,370	6,729,168	0.56	
Lundin Mining Corp	149,700	3,368,823	0.28	
Sherritt International Corp	33,700	1,186,241	0.10	
Sino-Forest Corp	43,521	3,625,202	0.30	
Talisman Energy Inc	48,400	5,432,921	0.45	
Toronto-Dominion Bank	18,400	7,427,311	0.62	
Viterra Inc	56,700	3,846,945	0.32	
Yamana Gold Inc	47,666	3,310,860	0.28	
		41,380,917	3.45	
<i>Denmark</i>				
Novo Nordisk A/S-B	9,657	4,069,169	0.34	
		4,069,169	0.34	
<i>France</i>				
AXA SA	17,260	2,526,919	0.21	
BNP Paribas	15,806	7,992,887	0.66	
Credit Agricole SA	36,257	3,518,675	0.29	
Eiffage SA	9,379	4,255,735	0.35	
Eutelsat Communications	23,533	4,730,542	0.39	
Natixis	152,193	2,294,716	0.19	
Publicis Groupe	16,589	3,941,394	0.33	
Sanofi-Aventis SA	11,771	5,388,728	0.45	
Total SA	22,646	9,527,885	0.79	
Vinci SA	12,435	4,348,726	0.36	
		48,526,207	4.02	
<i>Germany</i>				
BASF SE	21,902	6,800,989	0.57	
Deutsche Bank AG	12,423	5,873,011	0.49	
E.ON AG	24,829	6,849,304	0.57	
Hannover Rueckversicherung AG-REG	14,055	4,050,850	0.34	
Hochtief AG	12,334	4,841,371	0.40	
Muenchener Rueckversicherungs AG-REG	5,827	6,143,022	0.51	
		34,558,547	2.88	

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>Greece</i>			
Public Power Corp SA	32,553	5,232,127	0.43
		5,232,127	0.43
<i>Hong Kong</i>			
Henderson Land Development Co Ltd	119,000	5,289,550	0.44
MTR Corp	132,500	3,080,625	0.26
Sun Hung Kai Properties Ltd	83,000	8,034,400	0.67
		16,404,575	1.37
<i>Ireland</i>			
CRH Plc	22,199	3,956,316	0.33
		3,956,316	0.33
<i>Italy</i>			
Atlantia SpA	27,528	4,334,182	0.36
Enel SpA	135,264	5,131,941	0.43
ENI SpA	51,462	9,481,052	0.79
Finmeccanica SpA	34,765	3,812,529	0.32
Intesa Sanpaolo SpA	172,762	4,335,117	0.36
Italcementi SpA	27,171	2,416,758	0.20
Lottomatica SpA	22,980	3,449,773	0.29
Telecom Italia SpA	587,408	6,326,245	0.53
		39,287,597	3.28
<i>Japan</i>			
Advantest Corp	25,800	3,661,728	0.30
Asahi Glass Co Ltd	90,000	5,656,823	0.47
Canon Inc	31,000	7,944,693	0.66
COMSYS Holdings Corp	48,000	4,153,689	0.35
Daiwa Securities Group Inc	89,000	4,150,364	0.34
Fast Retailing Co Ltd	5,100	5,211,576	0.43
Hitachi Ltd	194,000	4,735,835	0.39
Honda Motor Co Ltd	34,300	7,399,530	0.62
Hosiden Corp	23,911	2,383,296	0.20
Ibiden Co Ltd	15,600	3,434,969	0.29
ITOCHU Corp	65,000	3,542,509	0.29
JFE Holdings Inc	19,100	5,034,370	0.42
Jupiter Telecommunications Co Ltd	620	3,680,706	0.31
Marubeni Corp	151,000	5,241,421	0.44
Mitsubishi UFJ Financial Group Inc	101,600	4,927,462	0.41
Mitsui Sumitomo Insurance Group Holdings Inc	22,300	4,584,703	0.38
Murata Manufacturing Co Ltd	14,200	4,721,724	0.39
Nintendo Co Ltd	2,300	4,967,380	0.41
Nippon Electric Glass Co Ltd	65,000	5,703,862	0.47
Nippon Oil Corp	78,000	3,605,768	0.30
Nissan Motor Co Ltd	98,100	4,662,244	0.39
Nitto Denko Corp	16,700	3,981,917	0.33
Rohm Co Ltd	8,800	5,017,257	0.42
Sankyo Co Ltd	11,500	4,803,231	0.40
Seven Bank Ltd	170	3,486,793	0.29
Sony Corp	27,900	5,713,391	0.47
Sumitomo Corp	44,500	3,544,050	0.29
Sumitomo Electric Industries Ltd	41,900	3,690,390	0.31

Principal International Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>Japan (continued)</i>			
Sumitomo Mitsui Financial Group Inc	19,100	6,087,715	0.51
Taiheiy Cement Corp	326,000	4,388,883	0.36
Toppan Printing Co Ltd	43,000	3,400,176	0.28
Toyota Motor Corp	24,500	7,292,233	0.61
		150,810,688	12.53
<i>Netherlands</i>			
ArcelorMittal	25,256	6,458,992	0.54
Koninklijke Ahold NV	52,657	4,711,852	0.39
Royal Dutch Shell Plc-B	39,553	7,803,682	0.65
		18,974,526	1.58
<i>Norway</i>			
DnB NOR ASA	89,400	5,307,694	0.44
		5,307,694	0.44
<i>Papua New Guinea</i>			
Lihir Gold Ltd	146,450	2,718,599	0.23
		2,718,599	0.23
<i>Singapore</i>			
Chartered Semiconductor Manufacturing Ltd	114,900	1,261,827	0.10
DBS Group Holdings Ltd	65,000	4,108,860	0.34
Golden Agri-Resources Ltd	1,695,640	3,451,781	0.29
Singapore Telecommunications Ltd	260,000	4,178,502	0.35
United Overseas Bank Ltd	62,000	4,875,776	0.41
		17,876,746	1.49
<i>Spain</i>			
Banco Santander SA	122,943	11,506,614	0.96
Iberdrola SA	105,842	6,688,917	0.56
		18,195,531	1.52
<i>Sweden</i>			
SSAB AB-B Shares	15,913	1,333,538	0.11
		1,333,538	0.11
<i>Switzerland</i>			
Credit Suisse Group-REG	21,158	7,527,244	0.63
Nestle SA-REG	37,088	10,885,510	0.90
Novartis AG-REG	7,930	2,504,957	0.21
Roche Holding AG-GENUSSCHEIN	8,844	9,369,339	0.78
Xstrata Plc	63,109	5,363,158	0.45
Zurich Financial Services AG-REG	4,266	5,856,559	0.49
		41,506,767	3.46

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal International Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>United Kingdom</i>			
Aggreko Plc	51,229	3,434,237	0.29
AstraZeneca Plc	20,570	7,102,193	0.59
Autonomy Corp Plc	23,131	4,297,509	0.36
Balfour Beatty Plc	101,862	4,069,455	0.34
Bardays Plc	204,252	7,473,403	0.62
BG Group Plc	64,554	8,496,431	0.71
BP Plc	95,202	5,881,090	0.49
British American Tobacco Plc	35,320	7,639,805	0.64
Compass Group Plc	113,429	5,011,852	0.42
EasyJet Plc	74,714	2,610,558	0.22
G4S Plc	207,262	5,587,163	0.46
Game Group Plc	170,258	3,621,088	0.30
GlaxoSmithKline Plc	24,862	3,434,600	0.29
HSBC Holdings Plc	75,026	4,874,314	0.41
Imperial Tobacco Group Plc	30,091	6,139,164	0.51
Intertek Group Plc	42,411	5,719,110	0.48
Kazakhmys Plc	56,694	4,617,887	0.38
Kingfisher Plc	226,742	5,212,300	0.43
Marks & Spencer Group Plc	129,028	5,104,709	0.42
Reckitt Benckiser Group Plc	19,479	6,966,016	0.58
Royal & Sun Alliance Insurance Group	190,909	2,966,856	0.25
Smiths Group Plc	36,134	3,277,248	0.27
Standard Chartered Plc	30,984	4,566,758	0.38
Taylor Wimpey Plc	447,724	1,939,192	0.16
Vodafone Group Plc	626,218	9,488,964	0.79
WPP Group Plc	71,704	3,738,379	0.31
		133,270,281	11.10
<i>United States</i>			
3M Co	9,002	4,192,933	0.35
Abbott Laboratories	24,396	8,893,863	0.74
Altria Group Inc	56,995	7,239,694	0.60
Amedys Inc	11,488	2,939,856	0.24
American Financial Group Inc	30,291	5,066,051	0.42
Amgen Inc	21,314	8,744,871	0.73
Apache Corp	7,740	4,327,946	0.36
Apple Inc	10,932	12,067,175	1.00
Arch Coal Inc	17,036	2,029,299	0.17
Ashland Inc	18,224	3,961,695	0.33
AT&T Inc	26,845	5,167,964	0.43
Bank of America Corp	92,615	9,474,575	0.79
Baxter International Inc	15,537	6,377,047	0.53
BB&T Corp	27,328	4,655,218	0.39
Berkshire Hathaway Inc-B	301	6,755,058	0.56
Big Lots Inc	21,625	3,524,519	0.29
BJ's Wholesale Club Inc	17,766	4,437,664	0.37
Cameron International Corp	24,349	5,340,379	0.44
Century Aluminum Co	17,112	826,215	0.07
CenturyTel Inc	18,291	4,351,914	0.36
Chevron Corp	23,387	12,007,841	1.00
Chubb Corp	16,302	5,038,491	0.42
Cisco Systems Inc	80,236	11,590,967	0.95
Citigroup Inc	82,020	1,887,907	0.16
CKE Restaurants Inc	36,912	2,425,872	0.20
Cliffs Natural Resources Inc	21,425	4,063,117	0.34
CMS Energy Corp	43,003	4,025,967	0.33
Coca-Cola Enterprises Inc	31,825	4,106,645	0.34
Comcast Corp-A	62,626	7,032,788	0.58
ConocoPhillips	13,214	4,307,329	0.36

Principal International Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>United States (continued)</i>			
Corning Inc	42,237	5,257,062	0.44
Del Monte Foods Co	78,115	5,678,606	0.47
DeVry Inc	9,399	3,645,050	0.30
eBay Inc	48,011	6,373,861	0.53
El Paso Corp	70,249	5,025,119	0.42
Eli Lilly & Co	26,794	7,193,163	0.60
EMC Corp Massachusetts	53,983	5,480,659	0.46
Express Scripts Inc	12,576	6,700,693	0.56
Exxon Mobil Corp	28,366	15,368,869	1.28
Fifth Third Bancorp	31,675	1,742,928	0.14
Flowerscore Corp	8,510	4,604,174	0.38
Foot Locker Inc	52,928	4,294,738	0.36
Forest Laboratories Inc	21,317	4,148,368	0.34
Forest Oil Corp	29,026	3,356,298	0.28
FPL Group Inc	14,582	6,425,818	0.53
GameStop Corp - Class A	19,187	3,272,891	0.27
General Dynamics Corp	13,469	5,781,908	0.48
General Electric Co	73,098	6,639,534	0.55
Gilead Sciences Inc	17,408	6,319,319	0.53
Harris Corp	14,277	3,137,962	0.26
Hewlett-Packard Co	31,971	9,576,575	0.80
Home Depot Inc	37,008	6,777,411	0.56
Humana Inc	11,395	2,848,939	0.24
Intel Corp	75,934	9,739,547	0.81
IntercontinentalExchange Inc	6,311	5,587,543	0.46
International Business Machines Corp	7,559	6,117,198	0.51
Johnson & Johnson	29,644	13,049,374	1.08
JPMorgan Chase & Co	14,657	3,874,639	0.32
Kimberly-Clark Corp	14,747	5,992,224	0.50
Las Vegas Sands Corp	31,724	1,932,480	0.16
Lockheed Martin Corp	9,009	5,630,999	0.47
Marvell Technology Group Ltd	55,867	5,039,794	0.42
McDonald's Corp	13,804	6,150,377	0.51
MGM Mirage	17,710	877,049	0.07
Microsoft Corp	40,019	7,372,247	0.61
Monsanto Co	9,007	5,189,281	0.43
National Oilwell Varco Inc	19,532	4,943,874	0.41
NCR Corp	45,753	4,194,776	0.35
New York Community Bancorp Inc	41,623	3,448,384	0.29
Newell Rubbermaid Inc	42,495	3,428,412	0.28
Noble Corp	23,609	5,534,870	0.46
Occidental Petroleum Corp	12,071	6,156,581	0.51
Omnicare Inc	20,052	4,003,207	0.33
Owens-Illinois Inc	24,226	5,258,953	0.44
PG&E Corp	13,760	4,099,268	0.34
Pitney Bowes Inc	24,290	4,128,294	0.34
PNC Financial Services Group Inc	21,761	6,545,261	0.54
Procter & Gamble Co	21,992	8,709,438	0.71
Public Service Enterprise Group Inc	19,360	4,895,837	0.41
Qualcomm Inc	25,551	8,950,573	0.74
Qwest Communications International Inc	137,113	4,409,925	0.37
Regions Financial Corp	61,560	1,927,456	0.16
Reynolds American Inc	14,057	4,207,357	0.35
Sara Lee Corp	51,979	3,931,717	0.33
Sempra Energy	14,424	5,547,975	0.46
SUPERVALU Inc	40,223	4,036,907	0.34
Symantec Corp	41,154	4,962,793	0.41
Texas Instruments Inc	23,554	3,888,202	0.32
The Goldman Sachs Group Inc	4,347	4,967,175	0.41
The McGraw-Hill Companies Inc	18,972	4,427,192	0.37
The Nasdaq OMX Group Inc	25,281	4,175,247	0.35

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal International Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>United States <i>(continued)</i></i>			
The Travelers Companies Inc	11,999	3,816,426	0.32
The Western Union Co	40,531	5,151,523	0.43
Transocean Inc	9,895	5,697,058	0.47
UGI Corp	17,948	3,545,605	0.29
United Technologies Corp	17,754	7,149,404	0.59
UnitedHealth Group Inc	24,976	4,835,260	0.40
Unum Group	39,709	4,880,863	0.41
Wal-Mart Stores Inc	26,765	10,047,913	0.83
Watson Pharmaceuticals Inc	14,472	3,778,627	0.31
WellPoint Inc	12,751	5,028,995	0.42
Wells Fargo & Co	14,160	2,662,309	0.22
Windstream Corp	58,418	3,784,927	0.31
Wyndham Worldwide Corp	42,917	4,031,220	0.34
		558,253,361	46.34
<b>Total listed shares</b>		1,171,968,289	97.41
<b>Options/warrants</b>			
<i>Australia</i>			
Rio Tinto Ltd-Rights	7,081	1,065,388	0.09
		1,065,388	0.09
<i>Singapore</i>			
Golden Agri-Resources Ltd-Rights	288,259	308,844	0.03
		308,844	0.03
<b>Total options/warrants</b>		1,374,232	0.12
<b>Total investment</b>		1,173,342,521	97.53
<b>Other net assets</b>		29,681,271	2.47
<b>Total net asset value</b>		1,203,023,792	100.00
<b>Total cost of investment</b>		1,195,909,844	

Principal Pension Bond Fund				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments</b>				
<i>Fixed coupon rate debt instruments</i>				
<i>Denominated in United States Dollars</i>				
Aetna Inc-6.75%	15/12/2037	1,690,000	12,144,630	0.52
Altria Group Inc-9.25%	06/08/2019	2,260,000	19,667,912	0.84
Altria Group Inc-9.7%	10/11/2018	4,290,000	38,116,708	1.64
America Movil SAB de CV-5.5%	01/03/2014	2,325,000	18,388,973	0.79
American Express Bank FSB-5.5%	16/04/2013	2,000,000	15,211,317	0.65
American Express Co-7.25%	20/05/2014	3,500,000	28,059,202	1.20
Ameriprise Financial Inc-5.35%	15/11/2010	1,525,000	11,797,103	0.51
Anheuser-Busch InBev Worldwide Inc-5.375%	15/11/2014	5,450,000	42,614,490	1.82
Anheuser-Busch InBev Worldwide Inc-7.75%	15/01/2019	885,000	7,501,161	0.32
Appalachian Power Co-5.95%	15/05/2033	285,000	1,985,337	0.08
Arden Realty LP-5.25%	01/03/2015	1,000,000	7,341,444	0.31
AstraZeneca Plc-5.4%	15/09/2012	250,000	2,101,821	0.09
AT&T Wireless Services-7.875%	01/03/2011	1,935,000	16,173,035	0.69
AXA SA-8.6%	15/12/2030	435,000	3,158,339	0.14
Baltimore Gas & Electric Co-5.9%	01/10/2016	335,000	2,600,377	0.11
Baltimore Gas & Electric Co-6.125%	01/07/2013	1,490,000	12,050,679	0.52
Bank of America Corp-5.375%	11/09/2012	1,000,000	7,787,312	0.33
Bank of America Corp-5.42%	15/03/2017	300,000	1,930,790	0.08
Bank of America Corp-7.375%	15/05/2014	13,745,000	110,041,443	4.71
Barclays Bank Plc-6.75%	22/05/2019	6,000,000	46,117,694	1.97
BAT International Finance Plc-9.5%	15/11/2018	60,000	546,537	0.02
BNP Paribas US Medium-Term Note LLC-5.125%	15/01/2015	100,000	724,807	0.03
British Telecommunications Plc-5.95%	15/01/2018	2,700,000	18,858,610	0.81
Canadian National Railway Co-4.4%	15/03/2013	905,000	7,167,327	0.31
Canadian Natural Resources Ltd-4.9%	01/12/2014	700,000	5,536,205	0.24
Capital One Bank USA NA-6.5%	13/06/2013	279,000	2,137,342	0.09
Capital One Financial Corp-5.7%	15/09/2011	415,000	3,230,538	0.14
CenterPoint Energy Houston Electric LLC-7%	01/03/2014	1,255,000	10,499,846	0.45
Cia de Bebidas das Americas-8.75%	15/09/2013	300,000	2,650,517	0.11
Cingular Wireless-6.5%	15/12/2011	300,000	2,508,277	0.11
Citigroup Inc-5%	15/09/2014	6,500,000	42,230,540	1.81
Citigroup Inc-5.125%	05/05/2014	1,200,000	8,466,272	0.36
Citigroup Inc-8.5%	22/05/2019	3,000,000	23,650,959	1.01
Coca-Cola Enterprises Inc-4.25%	01/03/2015	3,650,000	28,607,191	1.22
Comcast Corp-5.7%	01/07/2019	5,080,000	39,012,889	1.67
Comerica Bank-5.75%	21/11/2016	400,000	2,500,926	0.11
Commonwealth Edison Co-4.7%	15/04/2015	335,000	2,562,798	0.11
Commonwealth Edison Co-6.15%	15/09/2017	4,500,000	36,231,940	1.55
ConAgra Foods Inc-6.75%	15/09/2011	62,000	513,847	0.02
ConAgra Foods Inc-7.875%	15/09/2010	130,000	1,067,742	0.05
ConocoPhillips-4.6%	15/01/2015	4,700,000	37,432,209	1.60
Continental Airlines Inc-5.983%	19/04/2022	410,000	2,621,454	0.11
Corp Andina de Fomento-5.2%	21/05/2013	95,000	739,591	0.03
Corp Andina de Fomento-8.125%	04/06/2019	1,000,000	8,211,007	0.35
Cox Communications Inc-5.5%	01/10/2015	5,110,000	38,369,406	1.64
Cox Communications Inc-8.375%	01/03/2039	840,000	7,258,586	0.31
Credit Suisse New York-3.45%	02/07/2012	5,000,000	38,769,390	1.66
CRH America Inc-6.4%	15/10/2033	150,000	872,454	0.04
CSX Transportation Inc-6.251%	15/01/2023	606,039	4,531,268	0.19
Daimler Finance North America LLC-4.875%	15/06/2010	1,250,000	9,695,215	0.42
Daimler Finance North America LLC-5.75%	08/09/2011	515,000	4,072,674	0.17
Daimler Finance North America LLC-7.3%	15/01/2012	1,045,000	8,386,674	0.36
Dell Inc-3.375%	15/06/2012	1,725,000	13,608,646	0.58

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal Pension Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value HKS/HKS equivalent	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Fixed coupon rate debt instruments <i>(continued)</i></i>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
Dell Inc-5.875%	15/06/2019	680,000	5,379,160	0.23
Deutsche Telekom International Finance BV-6.75%	20/08/2018	970,000	7,978,479	0.34
Devon Energy Corp-6.3%	15/01/2019	810,000	6,708,299	0.29
Empresa Nacional del Petroleo-6.25%	08/07/2019	900,000	6,915,338	0.30
Enbridge Energy Partners LP-9.875%	01/03/2019	300,000	2,695,453	0.12
EnCana Corp-4.75%	15/10/2013	1,250,000	9,765,935	0.42
Enel Finance International SA-6.25%	15/09/2017	1,200,000	9,709,951	0.42
Energy Texas Inc-7.125%	01/02/2019	500,000	4,039,729	0.17
Equitable Resources Inc-5.15%	15/11/2012	90,000	688,845	0.03
Export-Import Bank of Korea-4.5%	12/08/2009	250,000	1,937,294	0.08
Express Scripts Inc-6.25%	15/06/2014	1,330,000	10,906,518	0.47
Fannie Mae-5.375%	12/06/2017	8,750,000	75,699,094	3.24
First Union National Bank-7.8%	18/08/2010	935,000	7,541,366	0.32
Florida Power Corp-5.65%	15/06/2018	465,000	3,845,565	0.16
Gaz Capital SA-8.146%	11/04/2018	750,000	5,289,409	0.23
Grupo Televisa SA-6.625%	18/03/2025	100,000	702,148	0.03
GTE California Inc-6.7%	01/09/2009	480,000	3,748,021	0.16
HBOSS Plc-6%	01/11/2033	75,000	347,285	0.01
Health Care Service Corp-7.75%	15/06/2011	1,050,000	8,517,853	0.36
Hewlett-Packard Co-2.25%	27/05/2011	2,085,000	16,208,074	0.69
Hewlett-Packard Co-2.95%	15/08/2012	665,000	5,191,890	0.22
Household Finance Corp-4.125%	16/11/2009	625,000	4,870,514	0.21
HRPT Properties Trust-6.5%	15/01/2013	800,000	5,531,037	0.24
HSBC Finance Corp-5.5%	19/01/2016	2,000,000	14,582,075	0.62
HSBC Holdings Plc-5.25%	12/12/2012	150,000	1,204,919	0.05
HSBC Holdings Plc-6.5%	15/09/2037	650,000	4,872,871	0.21
International Game Technology-7.5%	15/06/2019	1,925,000	15,052,817	0.64
Interstate Power & Light Co-6.75%	15/03/2011	225,000	1,786,220	0.08
ITT Corp-4.9%	01/05/2014	3,490,000	26,862,722	1.15
Jefferies Group Inc-6.25%	15/01/2036	1,415,000	7,565,368	0.32
Jefferies Group Inc-6.45%	08/06/2027	520,000	2,964,499	0.13
Jersey Central Power & Light Co-7.35%	01/02/2019	420,000	3,578,450	0.15
JPMorgan Chase & Co-5.25%	01/05/2015	2,485,000	18,518,062	0.79
Kellogg Co-4.45%	30/05/2016	1,495,000	11,596,057	0.50
KeySpan Corp-7.625%	15/11/2010	150,000	1,235,555	0.05
Kinder Morgan Energy Partners LP-9%	01/02/2019	435,000	3,834,434	0.16
Korea East-West Power Co Ltd-4.875%	21/04/2011	835,000	6,485,574	0.28
Kraft Foods Inc-4.125%	12/11/2009	850,000	6,656,672	0.28
Kraft Foods Inc-6.25%	01/06/2012	1,852,000	15,468,901	0.66
Liberty Mutual Group Inc-7.25%	01/09/2012	82,000	560,047	0.02
Lincoln National Corp-5.65%	27/08/2012	580,000	4,363,032	0.19
Masco Corp-5.875%	15/07/2012	900,000	6,558,509	0.28
Medco Health Solutions Inc-6.125%	15/03/2013	1,749,000	13,975,742	0.60
Medco Health Solutions Inc-7.25%	15/08/2013	1,345,000	11,180,513	0.48
Merrill Lynch & Co Inc-4.5%	04/11/2010	1,485,000	3,781,090	0.16
Merrill Lynch & Co Inc-5.45%	15/07/2014	425,000	3,150,624	0.13
Merrill Lynch & Co Inc-5.77%	25/07/2011	500,000	3,943,404	0.17
MetLife Inc-5%	15/06/2015	1,650,000	12,183,458	0.52
Mexico Government International Bond-5.875%	15/01/2014	600,000	4,894,156	0.21
Monsanto Co-7.375%	15/08/2012	250,000	2,216,313	0.09
Morgan Stanley-4.25%	15/05/2010	50,000	391,899	0.02
Morgan Stanley-5.55%	27/04/2017	2,000,000	14,428,702	0.62
Morgan Stanley-7.3%	13/05/2019	4,500,000	36,163,863	1.56
National Australia Bank Ltd-5.35%	12/06/2013	900,000	7,184,338	0.31
National City Bank Cleveland OH-4.625%	01/05/2013	1,250,000	9,246,507	0.40
New York Life Global Funding-4.65%	09/05/2013	925,000	7,271,389	0.31
Noble Energy Inc-5.25%	15/04/2014	385,000	2,854,805	0.12

Principal Pension Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value HKS/HKS equivalent	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Fixed coupon rate debt instruments <i>(continued)</i></i>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
Nokia Oyj-5.375%	15/05/2019	875,000	6,860,872	0.29
Oncor Electric Delivery-5.95%	01/09/2013	1,280,000	10,322,292	0.44
Oncor Electric Delivery-6.375%	01/05/2012	410,000	3,353,015	0.14
Oracle Corp-3.75%	08/07/2014	2,045,000	15,848,852	0.68
Oracle Corp-5%	08/07/2019	3,500,000	27,023,997	1.16
Oversea-Chinese Banking Corp-7.75%	06/09/2011	175,000	1,477,770	0.06
Pacificorp-4.95%	15/08/2014	525,000	4,282,476	0.18
Pacificorp-5.45%	15/09/2013	50,000	411,916	0.02
Petro-Canada-6.05%	15/05/2018	1,250,000	9,640,171	0.41
PNC Funding Corp-6.7%	10/06/2019	3,675,000	29,375,721	1.26
Prologis-5.625%	15/11/2016	685,000	4,080,841	0.17
Prudential Financial Inc-7.375%	15/06/2019	4,445,000	33,823,033	1.46
Quest Diagnostics Inc-5.45%	01/11/2015	3,575,000	26,853,541	1.15
Quest Diagnostics Inc-6.4%	01/07/2017	635,000	5,022,808	0.22
Regency Centers LP-8.45%	01/09/2010	110,000	850,523	0.04
Roche Holdings Inc-6%	01/03/2019	1,155,000	42,599,532	1.83
Rogers Wireless Inc-6.375%	01/03/2014	2,625,000	21,806,016	0.93
Royal Bank of Scotland Group Plc-4.7%	03/07/2018	43,000	218,989	0.01
Royal Bank of Scotland Group Plc-5%	01/10/2014	240,000	1,486,908	0.06
RSMB Capital SA for OJSC Russian Agricultural Bank-7.125%	14/01/2014	100,000	728,505	0.03
Safeway Inc-6.5%	01/03/2011	125,000	1,025,986	0.04
Schering-Plough Corp-5.55%	01/12/2013	340,000	2,830,414	0.12
Schering-Plough Corp-6%	15/09/2017	4,000,000	33,015,336	1.42
Scottish Power Ltd-4.91%	15/03/2010	700,000	5,524,443	0.24
Sempra Energy-6.15%	15/06/2018	2,250,000	17,530,781	0.75
Simon Property Group LP-4.6%	15/06/2010	355,000	2,758,110	0.12
Simon Property Group LP-5.75%	01/05/2012	550,000	4,330,847	0.19
South Africa Government-6.5%	02/06/2014	435,000	3,531,407	0.15
South Africa Government-6.875%	27/05/2019	115,000	915,765	0.04
South Carolina Electric & Gas Co-5.3%	15/05/2033	100,000	748,203	0.03
StanCorp Financial Group Inc-6.875%	01/10/2012	2,400,000	16,405,975	0.70
Swenska Handelsbanken AB-4.875%	10/06/2014	5,855,000	44,919,326	1.92
Talisman Energy Inc-6.25%	01/02/2038	615,000	4,292,855	0.18
Telecom Italia Capital SA-5.25%	15/11/2013	1,785,000	13,565,296	0.58
Telefonos de Mexico SAB de CV-5.5%	27/01/2015	1,530,000	11,847,023	0.51
The Charles Schwab Corp-4.95%	01/06/2014	4,000,000	31,532,627	1.35
The Goldman Sachs Group Inc-5.125%	15/01/2015	1,050,000	8,004,308	0.34
The Goldman Sachs Group Inc-5.45%	01/11/2012	2,750,000	22,037,053	0.94
The Goldman Sachs Group Inc-5.625%	15/01/2017	3,780,000	27,842,528	1.20
The Goldman Sachs Group Inc-5.7%	01/09/2012	400,000	3,245,092	0.14
The Goldman Sachs Group Inc-5.95%	15/01/2012	1,260,000	8,243,353	0.35
The Goldman Sachs Group Inc-6.6%	15/01/2017	930,000	7,674,055	0.33
The Goldman Sachs Group Inc-6.75%	01/10/2037	1,000	6,890	0.00
TransCanada Pipelines Ltd-7.125%	15/01/2019	1,145,000	10,015,262	0.43
Tyco International Finance SA-8.75%	15/01/2019	825,000	7,089,308	0.30
UBS AG Stamford Branch-5.875%	15/07/2016	200,000	1,341,679	0.06
Unicredit Luxembourg Finance SA-6%	31/10/2017	465,000	3,227,820	0.14
Union Pacific Railroad Co 2003 Pass Through Trust-4.698%	02/01/2024	36,965	269,724	0.01
Union Planters Corp-4.375%	01/12/2010	500,000	3,755,031	0.16
United Mexican States-5.95%	19/03/2019	200,000	1,565,510	0.07
United States Treasury Note/Bond-1.375%	15/04/2012	750,000	5,791,194	0.25
United States Treasury Note/Bond-1.75%	31/01/2014	1,000,000	7,532,118	0.32
United States Treasury Note/Bond-1.75%	31/03/2014	9,000,000	67,461,796	2.90
United States Treasury Note/Bond-2.25%	31/05/2014	1,520,000	11,621,751	0.50

# INVESTMENT REPORT *(continued)*

**Portfolio statement as at 30 June 2009**

Principal Pension Bond Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Fixed coupon rate debt instruments <i>(continued)</i></i>				
<i>Denominated in United States Dollars <i>(continued)</i></i>				
United States Treasury Note/Bond-3.375%	31/07/2013	1,500,000	12,181,811	0.52
United States Treasury Note/Bond-3.75%	15/11/2018	350,000	2,759,363	0.12
United States Treasury Note/Bond-4.375%	15/02/2038	1,060,000	8,295,922	0.36
Verizon Communications Inc-6.35%	01/04/2019	4,690,000	37,812,220	1.62
Vivendi-5.75%	04/04/2013	550,000	4,289,432	0.18
Vodafone Group Plc-5.45%	10/06/2019	6,975,000	53,156,608	2.28
Waste Management Inc-5%	15/03/2014	1,150,000	8,708,192	0.37
Wilmington Trust Corp-8.5%	02/04/2018	1,250,000	9,134,984	0.39
WPS Resources-7%	01/11/2009	675,000	5,277,910	0.23
WR Berkley Corp-6.25%	15/02/2037	365,000	1,956,518	0.08
Wyeth-5.5%	15/03/2013	4,615,000	38,238,085	1.65
Xstrata Finance Canada Ltd-5.5%	16/11/2011	675,000	5,154,807	0.22
XTO Energy Inc-5.9%	01/08/2012	3,000,000	24,640,834	1.05
<b>Total fixed coupon rate debt instruments</b>			<b>2,158,027,625</b>	<b>92.39</b>
<i>Floating coupon rate debt instruments</i>				
<i>Denominated in United States Dollars</i>				
American Express Co-Floating	01/09/2066	700,000	3,906,025	0.17
Comerica Bank-Floating	10/05/2010	1,700,000	12,799,832	0.55
General Electric Capital Corp-Floating	15/11/2067	65,000	336,115	0.01
ING Groep NV-Floating	29/12/2049	435,000	1,972,194	0.08
International Lease Finance Corp-Floating	15/01/2010	600,000	4,320,315	0.18
Korea Development Bank-Floating	20/10/2009	335,000	2,577,008	0.11
Morgan Stanley-Floating	15/01/2010	600,000	4,608,607	0.20
Nordea Bank Sweden AB-Floating	29/11/2049	700,000	3,526,273	0.15
PNC Preferred Funding Trust I-Floating	28/02/2049	400,000	2,542,047	0.11
Rabobank Nederland NV-Floating	29/12/2049	288,000	2,483,116	0.11
Russia Government-Floating	31/03/2030	523,200	3,988,935	0.17
Santander Perpetual SA Unipersonal-Floating	29/10/2049	800,000	4,588,029	0.20
SMFG Preferred Capital USD 1 Ltd-Floating	29/01/2049	450,000	2,787,472	0.12
The Travelers Companies Inc-Floating	15/03/2037	680,000	4,247,458	0.18
<b>Total floating coupon rate debt instruments</b>			<b>54,683,426</b>	<b>2.34</b>
<b>Total listed/quoted debt instruments</b>			<b>2,212,711,051</b>	<b>94.73</b>
<b>Total investment</b>			<b>2,212,711,051</b>	<b>94.73</b>
<b>Other net assets</b>			<b>123,138,656</b>	<b>5.27</b>
<b>Total net asset value</b>			<b>2,335,849,707</b>	<b>100.00</b>
<b>Total cost of investment</b>			<b>2,138,956,672</b>	

Principal US Dollar Savings Fund				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments</b>				
<i>Fixed coupon rate debt instruments</i>				
<i>Denominated in United States Dollars</i>				
Fannie Mae-2.375%	20/05/2010	850,000	6,699,965	3.97
Fannie Mae-5.375%	15/08/2009	250,000	1,949,705	1.16
JPMorgan Chase & Co-2.625%	01/12/2010	100,000	793,807	0.47
Morgan Stanley-2.9%	01/12/2010	500,000	3,983,855	2.36
United States Treasury Bill-0%	13/08/2009	1,450,000	11,235,392	6.66
United States Treasury Bill-0%	19/11/2009	1,000,000	7,742,307	4.59
United States Treasury Bill-0%	14/01/2010	1,600,000	12,377,549	7.34
United States Treasury Bill-0%	11/02/2010	1,850,000	14,305,159	8.48
United States Treasury Bill-0%	11/03/2010	1,500,000	11,592,397	6.87
United States Treasury Note/Bond-0.875%	31/12/2010	1,250,000	9,700,805	5.75
United States Treasury Note/Bond-0.875%	28/02/2011	1,750,000	13,553,093	8.04
<b>Total fixed coupon rate debt instruments</b>			<b>93,934,034</b>	<b>55.69</b>
<i>Floating coupon rates debt instruments</i>				
<i>Denominated in United States Dollars</i>				
American Express Centurion Bank-Floating	16/11/2009	250,000	1,924,062	1.14
American Express Credit Account Master Trust-Floating	15/02/2012	350,000	2,710,497	1.62
American Express Credit Account Master Trust-Floating	15/03/2012	250,000	1,932,446	1.14
Ameriquest Mortgage Securities Inc-Floating	25/11/2034	132,811	566,807	0.34
Argent Securities Inc-Floating	25/01/2034	32,058	241,921	0.14
Asset Backed Securities Corp Home Equity-Floating	25/07/2036	231,819	1,609,186	0.95
AT&T Inc-Floating	05/02/2010	150,000	1,163,325	0.69
Bank of America Funding Corp-Floating	20/07/2036	241,843	352,879	0.21
Bank of America Corp-Floating	02/08/2010	50,000	379,972	0.23
Capital One Auto Finance Trust-Floating	15/07/2011	37,259	286,804	0.17
Capital One Financial Corp-Floating	10/09/2009	250,000	1,930,444	1.14
Cardinal Health Inc-Floating	02/10/2009	200,000	1,543,991	0.91
Carrington Mortgage Loan Trust-Floating	25/01/2036	179,535	1,318,785	0.78
Centex Home Equity-Floating	25/02/2032	352,906	1,795,859	1.06
Centex Home Equity-Floating	25/04/2032	31,438	174,755	0.10
Chase Funding Loan Acquisition Trust-Floating	25/06/2034	130,150	578,583	0.34
Chase Funding Mortgage Loan Asset-Backed Certificates-Floating	25/12/2033	32,499	184,377	0.11
Citigroup Mortgage Loan Trust Inc-Floating	25/08/2035	22,304	152,829	0.09
Comcast Corp-Floating	14/07/2009	150,000	1,162,828	0.69
Countrywide Alternative Loan Trust-Floating	25/12/2034	55,043	286,137	0.17
Countrywide Asset-Backed Certificates-Floating	25/07/2032	35,566	271,173	0.16
Countrywide Asset-Backed Certificates-Floating	25/12/2032	92,697	285,284	0.17
Countrywide Asset-Backed Certificates-Floating	25/11/2033	49,769	252,119	0.15
Countrywide Asset-Backed Certificates-Floating	25/01/2034	62,678	229,355	0.14

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal US Dollar Savings Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Floating coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollars (continued)</i>				
Countrywide Asset-Backed Certificates-Floating	25/10/2034	71,947	346,706	0.21
Countrywide Asset-Backed Certificates-Floating	25/11/2034	130,925	674,048	0.40
Countrywide Asset-Backed Certificates-Floating	25/06/2035	31,132	190,712	0.11
Countrywide Asset-Backed Certificates-Floating	25/12/2035	48,572	359,067	0.21
Countrywide Asset-Backed Certificates-Floating	25/02/2036	51,515	361,995	0.21
Countrywide Home Equity Loan Trust-Floating	15/12/2033	139,879	648,998	0.38
Credit Suisse USA Inc-Floating	15/01/2010	100,000	773,453	0.46
Credit-Based Asset Servicing and Securitization LLC-Floating	25/03/2036	116,000	588,540	0.35
Erac USA Finance Co-Floating	28/08/2009	100,000	768,902	0.46
First Horizon Asset Back Trust-Floating	25/10/2026	103,442	340,961	0.20
First NLC Trust-Floating	25/05/2035	90,325	348,173	0.21
GE Capital Credit Card Master Note Trust-Floating	15/03/2013	300,000	2,180,004	1.29
General Electric Capital Corp-Floating	06/10/2010	300,000	2,283,367	1.35
GSAA Trust-Floating	25/12/2034	161,074	580,007	0.34
GSR Mortgage Loan Trust-Floating	25/08/2046	248,162	509,576	0.30
Home Equity Mortgage Trust-Floating	25/01/2036	23,232	168,696	0.10
Household Finance Corp-Floating	16/11/2009	350,000	2,691,300	1.59
Impac CMB Trust-Floating	25/04/2035	130,271	526,905	0.31
ING USA Global Funding Trust-Floating	01/10/2010	250,000	1,874,516	1.11
International Lease Finance Corp-Floating	15/01/2010	50,000	360,026	0.21
International Lease Finance Corp-Floating	24/05/2010	100,000	706,840	0.42
JP Morgan Mortgage Acquisition Corp-Floating	25/12/2036	40,652	229,318	0.14
JPMorgan Chase & Co-Floating	02/10/2009	85,000	658,332	0.39
KeyBank NA-Floating	03/11/2009	150,000	1,152,160	0.68
Korea Development Bank-Floating	20/10/2009	150,000	1,153,884	0.68
Long Beach Mortgage Loan Trust-Floating	25/08/2045	40,995	271,849	0.16
Merrill Lynch & Co Inc-Floating	25/07/2011	250,000	1,794,094	1.06
Metropolitan Life Global Funding I-Floating	17/05/2010	250,000	1,921,567	1.14
Nomura Asset Acceptance Corp-Floating	25/02/2035	7,480	40,313	0.02
Option One Mortgage Loan Trust-Floating	25/12/2035	179,164	949,360	0.56
Option One Mortgage Loan Trust-Floating	25/07/2036	218,770	1,107,167	0.66
Residential Accredited Loans Inc-Floating	25/09/2034	146,115	894,581	0.53
Residential Asset Securities Corp-Floating	25/08/2031	143,857	1,032,017	0.61
Residential Asset Securities Corp-Floating	25/02/2032	198,167	1,078,888	0.64
Residential Asset Securities Corp-Floating	25/09/2036	123,985	833,331	0.49
Residential Asset Securities Corp-Floating	25/04/2037	91,269	615,134	0.36
Residential Funding Mortgage Securities I-Floating	25/06/2035	103,096	519,503	0.31

Principal US Dollar Savings Fund <i>(continued)</i>				
Investments	Maturity	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed / quoted debt instruments <i>(continued)</i></b>				
<i>Floating coupon rate debt instruments (continued)</i>				
<i>Denominated in United States Dollars (continued)</i>				
SabMiller Plc-Floating	01/07/2009	150,000	1,162,507	0.69
Structured Adjustable Rate Mortgage Loan Trust-Floating	25/08/2034	209,840	73,898	0.04
Structured Asset Mortgage Investments Inc-Floating	25/05/2045	25,085	49,667	0.03
Textron Financial Corp-Floating	02/11/2009	50,000	379,164	0.22
The Bear Stearns Companies Inc-Floating	09/09/2009	250,000	1,936,639	1.15
The Bear Stearns Companies Inc-Floating	28/11/2011	150,000	1,134,321	0.67
The Goldman Sachs Group Inc-Floating	23/07/2009	250,000	1,937,867	1.15
WaMu Mortgage Pass Through Certificates-Floating	25/03/2035	165,606	987,746	0.59
Xstrata Finance Dubai Ltd-Floating	13/11/2009	150,000	1,147,917	0.68
<b>Total floating coupon rate debt instruments</b>			<b>61,678,434</b>	<b>36.51</b>
<b>Total listed/quoted debt instruments</b>			<b>155,612,468</b>	<b>92.20</b>
<b>Total investment</b>			<b>155,612,468</b>	<b>92.20</b>
<b>Other net assets</b>			<b>13,171,994</b>	<b>7.80</b>
<b>Total net asset value</b>			<b>168,784,462</b>	<b>100.00</b>
<b>Total cost of investment</b>			<b>170,343,484</b>	

# INVESTMENT REPORT *(continued)*

## Portfolio statement as at 30 June 2009

Principal US Equity Fund			
Investments	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed shares</b>			
<i>United States</i>			
3M Co	2,129	991,641	0.21
Abbott Laboratories	17,759	6,474,263	1.40
Affiliated Computer Services Inc-A	2,623	902,987	0.20
Altera Corp	7,023	886,098	0.19
Altria Group Inc	30,725	3,902,791	0.84
American Electric Power Co Inc	5,520	1,235,922	0.27
Ameriprise Financial Inc	10,890	2,048,340	0.44
AmerisourceBergen Corp	10,101	1,388,745	0.30
Ametek Inc	6,395	1,713,839	0.37
Amgen Inc	5,028	2,062,926	0.45
Apache Corp	6,560	3,668,130	0.79
Apple Inc	8,124	8,967,593	1.93
Ashland Inc	2,786	605,645	0.13
AT&T Inc	36,952	7,113,675	1.54
Bank of America Corp	80,521	8,237,351	1.78
Baxter International Inc	6,212	2,549,670	0.55
BB&T Corp	15,094	2,571,204	0.56
Becton Dickinson & Co	5,485	3,031,318	0.66
Best Buy Co Inc	8,428	2,187,480	0.47
Big Lots Inc	8,874	1,446,316	0.31
Bristol-Myers Squibb Co	21,950	3,455,007	0.75
Broadcom Corp-A	15,362	2,951,405	0.64
Burlington Northern Santa Fe Corp	2,967	1,691,008	0.37
Cameron International Corp	6,074	1,332,189	0.29
Chevron Corp	11,942	6,131,510	1.33
Choice Hotels International Inc	4,776	984,949	0.21
Chubb Corp	4,885	1,509,817	0.33
Church & Dwight Co Inc	2,228	937,777	0.20
CIGNA Corp	9,551	1,783,159	0.39
Cisco Systems Inc	50,902	7,353,350	1.58
Clorox Co	2,152	931,139	0.20
CMS Energy Corp	24,630	2,305,875	0.50
Coca-Cola Enterprises Inc	20,297	2,619,091	0.57
Colgate-Palmolive Co	1,202	658,983	0.14
Comcast Corp-A	38,729	4,349,198	0.94
Commerce Bancshares Inc	2,171	535,551	0.12
Computer Sciences Corp	2,552	876,171	0.19
ConocoPhillips	4,432	1,444,686	0.31
Corning Inc	13,535	1,684,645	0.36
Crown Holdings Inc	5,443	1,018,310	0.22
CVS Caremark Corp	3,511	867,196	0.19
Darden Restaurants Inc	4,175	1,067,116	0.23
Dean Foods Co	8,995	1,337,767	0.29
Del Monte Foods Co	30,471	2,215,104	0.48
Devon Energy Corp	7,723	3,262,023	0.71
DreamWorks Animation SKG Inc-A	6,028	1,288,930	0.28
Eastman Chemical Co	2,469	725,212	0.16
eBay Inc	14,145	1,877,867	0.41
El Paso Corp	33,898	2,424,824	0.52
Eli Lilly & Co	12,269	3,293,757	0.71
Embarq Corp	7,559	2,463,985	0.53
Equifax Inc	4,952	1,001,672	0.22
Express Scripts Inc	6,192	3,299,196	0.71
Exxon Mobil Corp	32,651	17,690,507	3.83
F5 Networks Inc	4,749	1,273,084	0.28
Fifth Third Bancorp	10,978	604,068	0.13
Flowerserve Corp	4,453	2,409,211	0.52
Fluor Corp	4,607	1,831,283	0.40
FMC Corp	1,674	613,650	0.13
Forest Laboratories Inc	5,688	1,106,906	0.24
Forest Oil Corp	12,319	1,424,455	0.31
Freeport-McMoRan Copper & Gold Inc	4,426	1,718,859	0.37

Principal US Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HKS/HKS equivalent</i>	% of NAV
<b>Listed shares <i>(continued)</i></b>			
<i>United States <i>(continued)</i></i>			
GameStop Corp-A	5,956	1,015,966	0.22
General Dynamics Corp	6,796	2,917,355	0.63
General Electric Co	82,434	7,487,528	1.62
Genuine Parts Co	4,736	1,231,794	0.27
Gilead Sciences Inc	12,054	4,375,751	0.95
Goodrich Corp	5,504	2,131,534	0.46
Google Inc-A	2,289	7,478,949	1.62
Harris Stratex Networks Inc-A	1,071	553,786	0.11
Herbalife Ltd	3,184	778,286	0.17
Hewlett-Packard Co	24,054	7,205,121	1.56
Home Depot Inc	24,655	4,515,161	0.98
Honeywell International Inc	7,020	1,708,328	0.37
Hormel Foods Corp	6,922	1,852,927	0.40
Humana Inc	8,145	2,036,385	0.44
Intel Corp	58,330	7,481,600	1.61
IntercontinentalExchange Inc	2,541	2,549,714	0.49
International Business Machines Corp	11,311	9,153,542	1.97
International Flavors & Fragrances Inc	1,611	408,520	0.09
International Paper Co	7,278	853,406	0.18
Interpublic Group of Companies Inc	16,489	645,342	0.14
Invesco Ltd	12,354	1,706,160	0.37
iShares S&P 500 Index Fund	1,758	1,258,231	0.27
ITT Corp	2,624	904,958	0.20
Jacobs Engineering Group Inc	2,255	735,580	0.16
Jarden Corp	8,375	1,217,000	0.26
JC Penney Co Inc	3,064	681,752	0.15
Johnson & Johnson	16,365	7,203,919	1.56
JPMorgan Chase & Co	36,767	9,719,511	2.09
Kimberly-Clark Corp	5,165	2,098,721	0.45
Kohl's Corp	3,703	1,226,858	0.27
Kraft Foods Inc-A	2,249	441,673	0.10
Life Technologies Corp	3,634	1,174,989	0.25
Lockheed Martin Corp	6,414	4,009,016	0.87
Lowe's Companies Inc	16,099	2,421,748	0.52
Macy's Inc	8,374	763,211	0.17
Mastercard Inc-A	1,886	2,445,502	0.53
McDonald's Corp	10,398	4,632,833	1.00
McKesson Corp	1,966	670,410	0.15
Medco Health Solutions Inc	1,643	580,767	0.13
Merck & Co Inc	4,831	1,046,836	0.23
Microsoft Corp	45,830	8,442,742	1.83
Monsanto Co	5,270	3,036,251	0.66
Moody's Corp	7,091	1,448,080	0.31
Murphy Oil Corp	3,987	1,678,458	0.36
National Oilwell Varco Inc	6,178	1,563,755	0.34
New York Community Bancorp Inc	6,941	575,048	0.12
Newfield Exploration Co	6,242	1,580,438	0.34
Newmont Mining Corp	2,595	821,952	0.18
NSTAR	3,706	922,253	0.20
Nvidia Corp	8,615	753,796	0.16
Occidental Petroleum Corp	7,739	3,947,128	0.85
Oceaneering International Inc	3,139	1,099,599	0.24
Omnicare Inc	5,198	1,037,735	0.22
Omnicon Group Inc	3,117	762,875	0.17
ON Semiconductor Corp	14,033	746,069	0.16
Oracle Corp	16,507	2,740,262	0.59
Pactiv Corp	4,165	700,453	0.15
PepsiCo Inc	7,499	3,194,145	0.69
Pfizer Inc	34,091	3,963,104	0.86
PG&E Corp	9,207	2,742,875	0.59
Philip Morris International Inc	11,571	3,911,660	0.85
PNC Financial Services Group Inc	6,571	1,976,422	0.43

# INVESTMENT REPORT *(continued)*

Portfolio statement as at 30 June 2009

Principal US Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>United States (continued)</i>			
Precision Castparts Corp	9	5,094	0.00
Procter & Gamble Co	19,436	7,697,191	1.67
Public Service Enterprise Group Inc	12,161	3,075,324	0.67
Qualcomm Inc	14,986	5,249,629	1.14
Quest Diagnostics Inc	3,586	1,568,284	0.34
Qwest Communications International Inc	42,546	1,368,395	0.30
Regions Financial Corp	48,050	1,504,455	0.33
Reliance Steel & Aluminum Co	1,430	425,460	0.09
Reynolds American Inc	4,125	1,234,641	0.27
Ross Stores Inc	3,797	1,135,880	0.25
SandRidge Energy Inc	11,010	726,995	0.16
Sara Lee Corp	25,298	1,913,553	0.41
Schering-Plough Corp	14,975	2,915,352	0.63
Schlumberger Ltd	3,711	1,556,227	0.34
Sempra Energy	6,935	2,667,444	0.58
Southwestern Energy Co	9,066	2,729,677	0.59
St Jude Medical Inc	6,695	2,132,539	0.46
State Street Corp	5,555	2,032,032	0.44
SUPERVALU Inc	17,843	1,790,780	0.39
Symantec Corp	19,841	2,392,642	0.52
Sysco Corp	22	3,833	0.00
Tellabs Inc	20,520	911,248	0.20
Tetra Technologies Inc	14,080	868,601	0.19
Texas Instruments Inc	17,847	2,946,112	0.64
The Coca-Cola Co	10,127	3,766,483	0.81
The Goldman Sachs Group Inc	6,019	6,877,715	1.49
The Kroger Co	7,279	1,243,898	0.27
The McGraw-Hill Companies Inc	8,567	1,999,144	0.43
The Progressive Corp	17,609	2,062,071	0.45
The Travelers Companies Inc	9,779	3,110,329	0.67
The Walt Disney Co	2,163	391,089	0.08
The Western Union Co	19,691	2,502,742	0.54
Thermo Fisher Scientific Inc	11,082	3,501,574	0.76
Titanium Metals Corp	25,373	1,807,140	0.39
Torchmark Corp	8,785	2,521,838	0.55
UGI Corp	7,478	1,477,270	0.32
Union Pacific Corp	7,789	3,142,609	0.68
United Parcel Service Inc-B	1,885	730,296	0.16
United Technologies Corp	12,998	5,234,198	1.13
Unum Group	17,100	2,101,860	0.45
URS Corp	4,971	1,907,783	0.41
Valspar Corp	8,586	1,499,190	0.32
Verizon Communications Inc	15,877	3,781,251	0.82
Wal-Mart Stores Inc	22,053	8,278,970	1.79
Watson Pharmaceuticals Inc	5,358	1,398,969	0.30
Wells Fargo & Co	44,862	8,434,783	1.81
WW Grainger Inc	2,141	1,358,623	0.29

Principal US Equity Fund <i>(continued)</i>			
Investments	Portfolio holdings	Market value <i>HK\$/HK\$ equivalent</i>	% of NAV
<i>Listed shares (continued)</i>			
<i>United States (continued)</i>			
Wyeth	3,894	1,369,811	0.30
Wyndham Worldwide Corp	20,487	1,924,356	0.42
XTO Energy Inc	10,911	3,225,149	0.70
Yum! Brands Inc	8,600	2,222,125	0.48
<b>Total listed shares</b>		<b>445,224,850</b>	<b>96.32</b>
<b>Total investment</b>		<b>445,224,850</b>	<b>96.32</b>
<b>Other net assets</b>		<b>16,994,464</b>	<b>3.68</b>
<b>Total net asset value</b>		<b>462,219,314</b>	<b>100.00</b>
<b>Total cost of investment</b>		<b>421,362,470</b>	

**INVESTMENT REPORT** *(continued)*  
**Statement of movements in portfolio holdings**

Principal Asian Equity Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<b>Listed shares (by country)</b>		
China	23.62	18.42
Hong Kong	20.58	24.69
Indonesia	3.23	2.47
Malaysia	2.29	3.14
Philippines	0.54	-
Singapore	7.48	6.53
South Korea	20.31	21.32
Taiwan	17.96	17.09
Thailand	2.03	2.94
	98.04	96.60
<b>Options/warrants (by country)</b>		
Hong Kong	-	0.01
Singapore	-	0.12
	98.04	96.73
Other net assets	1.96	3.27
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

Principal China Equity Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<b>Listed shares (by industry sector)</b>		
Consumer discretionary	5.55	4.05
Consumer staples	2.44	4.03
Energy	17.17	18.52
Financials	39.35	31.12
Health Care	0.51	-
Industrial	9.74	10.08
Information technology	3.50	2.88
Materials	5.36	3.91
Telecommunication services	12.07	16.22
Utilities	1.52	3.93
	97.21	94.74
<b>Options/warrants (by industry sector)</b>		
Financials	-	0.02
Utilities	0.02	-
	97.23	94.76
Other net assets	2.77	5.24
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

**INVESTMENT REPORT** *(continued)*  
**Statement of movements in portfolio holdings** *(continued)*

Principal European Equity Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<i>Listed shares (by country)</i>		
Austria	-	0.10
Belgium	1.99	2.25
Denmark	1.53	1.58
Finland	1.68	1.41
France	12.28	13.47
Germany	8.29	10.26
Greece	1.39	1.00
Ireland	1.04	0.51
Italy	4.76	3.00
Netherlands	4.83	5.28
Norway	0.45	0.36
Portugal	-	0.56
Spain	6.94	7.55
Sweden	4.08	2.91
Switzerland	12.27	15.56
United Kingdom	31.36	29.69
	92.89	95.49
<i>Options/warrants (by country)</i>		
United Kingdom	0.15	-
	93.04	95.49
Other net assets	6.96	4.51
Total net assets	100.00	100.00

Principal Hong Kong Dollar Savings Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<i>Listed / quoted debt instruments</i>		
Certificates of deposit	39.10	35.90
Non-certificates of deposit	25.33	28.50
	64.43	64.40
Other net assets	35.57	35.60
Total net assets	100.00	100.00

**INVESTMENT REPORT** *(continued)*  
**Statement of movements in portfolio holdings** *(continued)*

Principal Hong Kong Equity Fund	% of	% of
	net assets	net assets
	as at	as at
	30 June	31 December
	2009	2008
<i>Listed shares (by industry sector)</i>		
Consumer discretionary	7.70	5.47
Consumer staples	2.58	3.12
Energy	8.01	11.19
Financials	47.61	40.07
Health care	0.37	1.05
Industrial	12.74	11.62
Information technology	3.60	2.62
Materials	3.85	2.79
Telecommunication services	6.34	12.64
Utilities	4.42	6.55
	97.22	97.12
<i>Options/warrants (by industry sector)</i>		
Financials	-	0.02
	97.22	97.14
Other net assets	2.78	2.86
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

Principal International Bond Fund	% of	% of
	net assets	net assets
	as at	as at
	30 June	31 December
	2009	2008
<i>Listed / quoted debt instruments (by currency)</i>		
Australian Dollars	0.51	0.57
British Pounds	5.29	4.07
Canadian Dollars	2.15	2.10
Danish Krone	0.41	0.44
Euro	30.07	29.32
Hungarian Forint	0.11	0.14
Japanese Yen	17.26	21.92
Mexican Pesos	0.27	0.39
New Zealand Dollars	0.20	0.12
Norwegian Krone	0.09	-
Polish Zloty	0.26	0.29
Singapore dollars	0.22	1.60
South African Rand	0.10	0.34
South Korean Won	0.78	-
Swedish Kronor	0.49	0.52
Thai Baht	0.11	-
United States Dollars	38.77	34.89
	97.09	96.71
Other net assets	2.91	3.29
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

**INVESTMENT REPORT** *(continued)*  
**Statement of movements in portfolio holdings** *(continued)*

Principal International Equity Fund	% of	% of
	net assets	net assets
	as at	as at
	30 June	31 December
	2009	2008
<i>Listed shares (by country)</i>		
Australia	1.25	1.74
Belgium	1.26	0.88
Canada	3.45	3.24
Denmark	0.34	0.79
Finland	-	0.33
France	4.02	2.20
Germany	2.88	2.22
Greece	0.43	0.59
Hong Kong	1.37	1.85
Ireland	0.33	-
Italy	3.28	2.57
Japan	12.53	11.28
Netherlands	1.58	2.43
Norway	0.44	0.61
Papu New Guinea	0.23	-
Portugal	-	0.46
Singapore	1.49	0.44
Spain	1.52	1.76
Sweden	0.11	0.74
Switzerland	3.46	3.97
United Kingdom	11.10	8.86
United States	46.34	50.54
	97.41	97.50
<i>Options/warrants (by country)</i>		
Australia	0.09	-
Singapore	0.03	-
	97.53	97.50
Other net assets	2.47	2.50
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

Principal Pension Bond Fund	% of	% of
	net assets	net assets
	as at	as at
	30 June	31 December
	2009	2008
<i>Listed / quoted debt instruments</i>		
Fixed coupon rate debt instruments	92.39	92.27
Floating coupon rate debt instruments	2.34	5.10
	94.73	97.37
Other net assets	5.27	2.63
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

**INVESTMENT REPORT** *(continued)*  
**Statement of movements in portfolio holdings** *(continued)*

Principal US Dollar Savings Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<i>Listed / quoted debt instruments</i>		
Fixed coupon rate debt instruments	55.69	18.00
Floating coupon rate debt instruments	36.51	74.06
	92.20	92.06
Other net assets	7.80	7.94
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

Principal US Equity Fund	% of net assets as at 30 June 2009	% of net assets as at 31 December 2008
<i>Listed shares (by industry sector)</i>		
Consumer discretionary	8.25	7.90
Consumer staples	11.18	12.69
Energy	12.20	13.01
Financials	13.36	13.05
Health care	13.74	14.94
Industrial	9.07	10.51
Information technology	18.86	15.10
Materials	3.07	2.91
Telecommunication services	3.19	3.85
Utilities	3.13	4.20
Others	0.27	0.49
	96.32	98.65
Other net assets	3.68	1.35
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

# STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2009  
(Expressed in Hong Kong dollars)

	Principal Asian Equity Fund \$	Principal China Equity Fund \$	Principal European Equity Fund \$	Principal Hong Kong Dollar Savings Fund \$	Principal Hong Kong Equity Fund \$	Principal International Bond Fund \$	Principal International Equity Fund \$	Principal Pension Bond Fund \$	Principal U.S. Dollar Savings Fund \$	Principal U.S. Equity Fund \$	The Fund \$
<b>Assets</b>											
Investments	1,663,908,015	529,977,087	217,002,124	685,969,688	1,367,708,359	2,285,415,434	1,173,342,521	2,212,711,051	155,612,468	445,224,850	10,736,871,597
Amounts receivables	5,399,704	4,429,471	439,718	2,981,110	7,332,235	29,774,375	1,900,533	26,158,933	256,561	547,424	79,420,064
Amounts receivable from brokers	11,385,027	2,151,642	2,143,289	1,876,702	46,765,398	5,552,816	22,112,838	150,983,657	-	1,205,914	244,177,283
Amounts receivable on subscriptions	69,538	-	30,564	-	93,475	1,061,275	174,083	-	291,426	97,199	1,817,560
Cash at banks	61,061,513	14,780,451	16,053,854	373,964,052	35,170,858	52,577,041	30,134,024	233,666,252	12,634,681	17,164,326	847,207,052
	1,742,023,797	551,338,651	235,669,549	1,064,791,552	1,457,070,325	2,374,380,941	1,227,663,999	2,623,519,893	168,795,136	464,239,713	11,909,493,556
<b>Liabilities</b>											
Amounts payable to brokers	44,025,825	4,828,058	2,394,644	-	47,427,917	19,989,473	24,530,782	287,578,237	-	1,946,160	432,721,096
Amounts payable on redemptions	504,375	1,338,608	11,648	1,993	2,532,326	193,959	5,802	-	-	17,521	4,606,232
Accrual and other payables	278,000	90,217	37,346	59,540	353,357	294,990	103,623	91,949	10,674	56,718	1,376,414
	44,808,200	6,256,883	2,443,638	61,533	50,313,600	20,478,422	24,640,207	287,670,186	10,674	2,020,399	438,703,742
<b>Net asset value</b>	<b>1,697,215,597</b>	<b>545,081,768</b>	<b>233,225,911</b>	<b>1,064,730,019</b>	<b>1,406,756,725</b>	<b>2,353,902,519</b>	<b>1,203,023,792</b>	<b>2,335,849,707</b>	<b>168,784,462</b>	<b>462,219,314</b>	<b>11,470,789,814</b>
<b>Representing:</b>											
<b>Net asset attributable to unitholders</b>	<b>1,697,215,597</b>	<b>545,081,768</b>	<b>233,225,911</b>	<b>1,064,730,019</b>	<b>1,406,756,725</b>	<b>2,353,902,519</b>	<b>1,203,023,792</b>	<b>2,335,849,707</b>	<b>168,784,462</b>	<b>462,219,314</b>	<b>11,470,789,814</b>
<b>Number of units in issue</b>											
Pension class	69,545,617.1506	48,648,429.6861	26,824,411.3073	90,147,413.0212	48,437,890.2468	123,668,965.9788	85,508,467.9997	209,592,108.3349	16,401,081.0811	41,507,497.8349	
Retail class	1,523,631.0954	5,516,952.2987	-	605,805.0790	9,008,435.0955	49,262,5236	731,283.5961	-	-	17,191.2342	
Investment class	388,707.7849	4,659,864.3557	8,116,230.8644	-	24,317,700.8536	64,280,383.2363	-	-	-	1,848,641.4128	
<b>Net asset value per unit</b>											
Pension class	23.8667	9.3626	6.6925	11.7365	17.6300	13.1313	13.9612	11.1447	10.2911	10.8113	
Retail class	21.7243	9.0200	-	11.0892	16.6606	11.5775	12.6171	-	-	8.5537	
Investment class	11.0487	8.5499	6.6168	-	16.5604	11.3472	-	-	-	7.2076	

# STATEMENT OF ASSETS AND LIABILITIES *(continued)*

As at 31 December 2008  
(Expressed in Hong Kong dollars)

	Principal Asian Equity Fund \$	Principal China Equity Fund \$	Principal European Equity Fund \$	Principal Hong Kong Savings Fund \$	Principal Hong Kong Equity Fund \$	Principal International Bond Fund \$	Principal International Equity Fund \$	Principal Pension Bond Fund \$	Principal U.S. Dollar Savings Fund \$	Principal U.S. Equity Fund \$	The Fund \$
<b>Assets</b>											
Investments	1,083,836,413	294,060,887	106,193,843	602,213,943	960,582,513	1,606,554,284	1,023,234,078	1,996,659,970	139,398,152	545,607,698	8,358,341,781
Amounts receivables	1,186,762	40	121,862	5,830,752	1,180,812	20,994,310	1,602,861	32,006,767	652,594	811,348	64,388,308
Amounts receivable from brokers	-	-	-	-	-	-	-	5,547,142	-	4,872,891	10,420,033
Amounts receivable on subscriptions	155,113	751,540	35,840	13,258	497,065	214,478	154,349	-	2,048	56,880	1,880,571
Cash at banks	37,155,272	16,863,799	4,899,492	327,116,508	26,925,082	33,802,666	32,074,888	47,504,070	16,177,645	6,990,990	549,510,412
	1,122,333,560	311,676,266	111,251,037	935,174,461	989,185,472	1,661,565,938	1,057,066,176	2,081,717,949	156,230,439	558,339,807	8,984,541,105
<b>Liabilities</b>											
Amounts payable to brokers	1,637,076	1,262,505	-	-	-	-	7,322,807	31,150,818	4,785,478	5,209,661	51,368,345
Amounts payable on redemptions	1,936	8,010	6,897	33,601	56,047	228,667	130,317	-	4,274	3,447	473,196
Accrual and other payables	188,450	82,866	39,425	50,329	267,522	145,301	120,372	18,000	17,141	24,705	954,111
	1,827,462	1,353,381	46,322	83,930	323,569	373,968	7,573,496	31,168,818	4,806,893	5,237,813	52,795,652
<b>Net asset value</b>	<b>1,120,506,098</b>	<b>310,322,885</b>	<b>111,204,715</b>	<b>935,090,531</b>	<b>988,861,903</b>	<b>1,661,191,970</b>	<b>1,049,492,680</b>	<b>2,050,549,131</b>	<b>151,423,546</b>	<b>553,101,994</b>	<b>8,931,745,453</b>
<b>Representing:</b>											
<b>Net asset attributable to unitholders</b>	<b>1,120,506,098</b>	<b>310,322,885</b>	<b>111,204,715</b>	<b>935,090,531</b>	<b>988,861,903</b>	<b>1,661,191,970</b>	<b>1,049,492,680</b>	<b>2,050,549,131</b>	<b>151,423,546</b>	<b>553,101,994</b>	<b>8,931,745,453</b>
<b>Number of units in issue</b>											
Pension class	59,453,246,5346	39,203,886,9857	9,481,718,4136	79,759,903,2749	45,617,233,7941	122,554,952,1444	79,171,298,2539	196,493,109,6998	14,498,131,3522	51,098,338,1176	
Retail class	1,521,423,6081	5,601,389,7530	-	542,123,6664	8,849,097,4386	47,504,7508	789,326,1616	-	-	26,497,5300	
Investment class	323,148,5631	1,836,116,4209	7,699,965,9610	-	22,818,713,5388	6,580,392,9500	-	-	-	1,431,478,5535	
<b>Net asset value per unit</b>											
Pension class	18.3696	6.6974	6.4878	11.6487	13.0798	12.9467	13.1366	10.4357	10.4443	10.6205	
Retail class	16.8452	6.5094	-	11.0450	12.4491	11.6109	11.9685	-	-	8.8115	
Investment class	8.5033	6.1524	6.4532	-	12.3597	11.2394	-	-	-	7.1090	