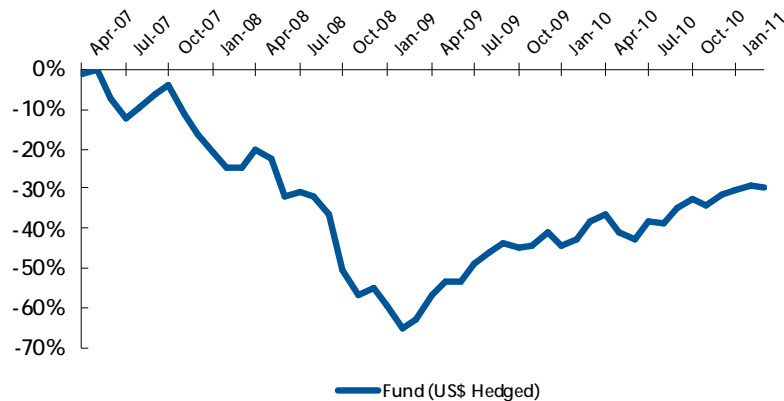


Principal Global Investors Funds

Global Property Securities Fund - I Class (USD)

MARCH 2011

Cumulative Performance Since Inception (%)



Cumulative Performance Overview (%)

	1 Month	3 Months	Year-to-Date	1 Year	3 Years	Since Inception
Fund (US\$ Hedged)	-0.7	2.8	2.8	14.1	-6.3	-29.7

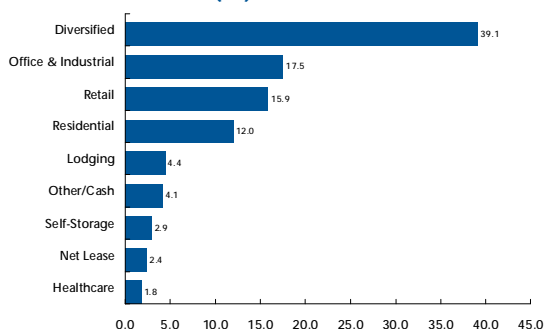
All figures sourced by Principal Global Investors unless otherwise stated as at 31 March 2011

Performance Source: Performance is calculated on a NAV-to-NAV basis, includes the reinvestment of all investment income, and does not take account of application fee or tax, but does include trustee and management fees. The performance information reflects performance of the I class accumulation units. Investors should obtain their own independent tax advice. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding.

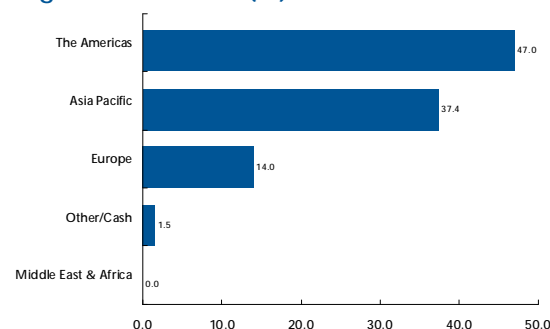
Top 10 Holdings (%)

Simon Property Group Inc.	4.8
Sun Hung Kai Properties Ltd.	3.2
Equity Residential	2.9
Boston Properties Inc.	2.8
Mitsubishi Estate Co. Ltd.	2.7
Vornado Realty Trust	2.7
Unibail-Rodamco S.A.	2.6
Public Storage	2.5
Prologis	2.5
Westfield Group	2.3
Total	29.0
No. of holdings	134

Sector Allocation (%)



Regional Allocation (%)



Fund Managers

Kelly D. Rush, CFA
MBA, University of Iowa
27 Yrs Industry Exp

Alastair Gillespie, CFA
BC, University of Wollongong
13 Yrs Industry Exp

Simon Hedger
MBA, University of New England
33 Yrs Industry Exp

Investment Objective

The Fund is managed by a specialist property securities team, which has significant experience in both physical property markets and securitised property. A rigorous investment process is used, which combines in-depth original research with disciplined portfolio construction and risk controls.

Benchmark

FTSE EPRA NAREIT Developed

Fund Facts

Fund Size	US\$7.5m
Launch Date	17 April 2007
Base Currency	USD
Minimum Investment	US\$2,000,000
Management Fee	Up to US\$5 million 1.00% pa \$5 to \$50 million 0.85% pa Above \$50 million 0.65% pa
Fund Domicile	Ireland
UCITS Qualifying	Yes
Pricing	Daily
Dealing	10am Dublin 5pm Hong Kong
Income Distribution	Accumulated

Registered For Sale In:

Belgium, Finland, France, Germany, Guernsey, Ireland, Italy, Jersey, Netherlands, Spain, Sweden, Switzerland & UK



Principal Global Investors Funds

Global Property Securities Fund - I Class (USD)

MARCH 2011

Fund Management Commentary

Market Review

Equity markets demonstrated resilience amid adversity during the first quarter of 2011. The devastating earthquake, tsunami, and nuclear crisis in Japan; and rising social unrest; and a series of regime changes in the Middle East and North Africa were not enough to derail what was a great quarter for the stocks. For property stocks, the total return in U.S. dollars for the FTSE EPRA Developed Index was 3.0% for the quarter. While surpassing total U.S. dollar returns of -0.6% for global bonds, this trailed the 4.9% return enjoyed by global equities.

U.S. dollar returns for listed property stocks were strongest in Europe (+8.9%), followed by North America (+6.9%), and weakest in Asia Pacific (-3.6%). The leading returns in Europe are largely driven by appreciation of European currencies as the euro gained nearly 6% and the pound sterling over 2% versus the U.S. dollar. Lessening European sovereign debt concerns also helped to drive stocks higher. Returns, as measured in local currency terms, were strongest in North America as increased comfort with the current trajectory of U.S. GDP growth, mounting evidence of an improved employment picture, continued low interest rates, and a series of sizable merger and acquisition deals all served as catalysts to move U.S. REITs higher.

Asia Pacific property stock returns were weak as Japanese property stocks struggled during the quarter from the fallout of the natural disaster and Singapore stocks fell amidst concerns over rising commodity and oil prices, and rising social unrest in the Middle East.

Fund Review

The fund underperformed the index, driven by favorable stock selection. Stock selection within Hong Kong was a strong source of outperformance as key overweight positions KWG Property, China Overseas Land, and Great Eagle all returned over 10% for the portfolio. Similarly, the portfolio correctly avoided underperforming Hong Kong diversified property owner Hysan Development and China developer Yanlord Group. Concerns over Hong Kong and China governmental policy actions to tamper residential price appreciation continue to weigh on investors' minds and have caused Hong Kong stocks to remain volatile – a fruitful environment for stock-picking.

Portfolio Outlook and Strategy

We believe macro themes are likely to continue to be a dominant influence on financial markets. Continued strong returns for property stocks are predicated on continued improving economic sentiment, low long term sovereign yields and/or a further decline in long-term funding costs. Conversely, we believe property stocks will be negatively impacted if sovereign yields continue their recent rise, if economic events take a turn for the worse or the cost of capital increases without clear signs of employment growth.

At the property level leasing trends and property sales are affirming that real estate markets have already bottomed out. Public property companies have strong balance sheets and are positioned to be active acquirers in their core markets. If opportunities to acquire assets don't appear, we believe takeover activity is likely to result as an alternative.

In addition, policy measures such as those by the central governments in China and Singapore, to prevent overheating in residential markets, or in Japan and United States, through the use of quantitative easing, may materially impact returns of public property companies.

Disclosures

In preparing the asset exposure of the Fund, we have taken into account both direct and indirect investments and the effects of futures and options contracts. Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

This document is for investment and business professionals only which include professional clients and eligible counterparties as defined by the FSA. Not for onward distribution to retail clients.

The value of units may fall as well as rise as a result of market movements as well as currency fluctuations. Past performance is no guide to the future. Full details of the risks of investing in the Fund are contained in the prospectus. Investors should obtain and read a copy of the prospectus before investing. This document is issued in: The United Kingdom by Principal Global Investors (Europe) Limited, Level 4, 10 Gresham Street, London, EC2V 7JD, registered in England, No. 03819986, which has approved its contents, and which is authorized and regulated by the Financial Services Authority; Singapore by Principal Global Investors (Singapore) Limited (ACRA Reg. No. 199603735H), which is regulated by the Monetary Authority of Singapore and is directed exclusively at institutional investors as defined by the Securities and Futures Act (Chapter 289); Hong Kong by Principal Global Investors (Asia) Limited, which is regulated by the Securities and Futures Commission.

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The information in this document has been derived from sources believed to be accurate as of March 2011

Fund Codes

Accumulation Units:

Bloomberg	PIFGPSU ID
ISIN	IE00B1W57P38
Lipper	65072988
Valoren	CH3071326
WKN	A0MQL4

Contact Us

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