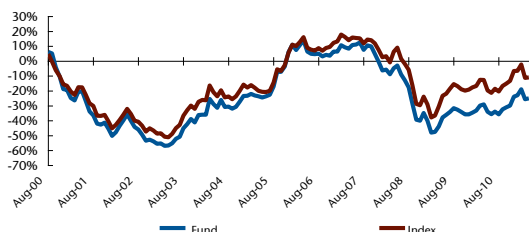


# Principal Global Investors Funds

## Japanese Equity Fund - I Class

APRIL 2011

### Cumulative Performance Since Inception



### Cumulative Performance Overview (%)<sup>1</sup>

	1 Mo.	Year-to-Date	1 Year	3 Years	5 Years
Fund	0.7	-1.6	5.6	-21.2	-34.2
Index	0.4	-4.6	2.0	-16.2	-23.3

### Calendar Year Performance (%)<sup>1</sup>

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Fund	18.6	-1.5	-34.5	-6.3	0.3	38.5	20.1	38.4	-15.6	-32.8	NA
Index	15.4	6.3	-29.2	-4.2	6.2	25.5	15.9	35.9	-10.3	-29.4	NA

### Annualised Performance (%)<sup>1</sup>

	2 Years	3 Years	4 Years	5 Years
Fund	15.5	-7.6	-8.8	-8.0
Index	13.2	-5.7	-6.0	-5.2

### Fund Characteristics (%)<sup>1</sup>

^Over a 5 Year Period			
	Tracking Error^	Information Ratio^	Active Share Ratio
Fund	3.4	-0.8	54.1

All figures sourced by Principal Global Investors unless otherwise stated as at 30 April 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. Outperforming the MSCI Japan Index is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical. Past performance is not indicative of future performance. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding.

**Characteristics Source:** Factset

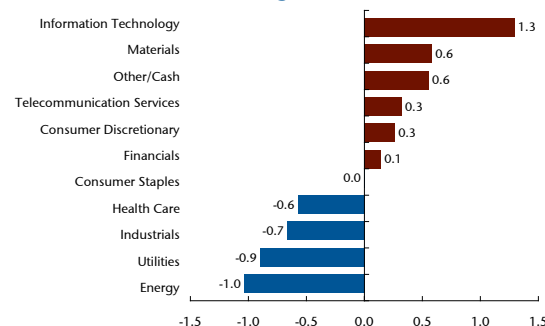
### Top 10 Holdings (%)

Toyota Motor Corp.	3.9
Canon Inc.	2.7
Mitsubishi Ufj Financial Group Inc.	2.7
Honda Motor Co. Ltd.	2.1
Mitsubishi Corp.	2.0
Takeda Pharmaceutical Co. Ltd.	2.0
Mitsui & Co. Ltd.	1.9
Sumitomo Mitsui Financial Group Inc.	1.8
Nippon Telegraph & Telephone Corp.	1.6
Kddi Corp.	1.5
<b>Total</b>	<b>22.0</b>
No. of holdings	112

### Top Five Stock Over/Underweights (%)



### Sector Over/Underweights (%)



### Fund Managers

**Mark R. Nebelung, CFA**  
B Math, University of Waterloo - Canada  
18 Yrs Industry Exp

**Brian W. Pattinson, CFA**  
MBA, University of Iowa  
17 Yrs Industry Exp

**Junichi Takayama, CFA**  
BA, UNIVERSITY OF MICHIGAN, Ann Arbor  
10 Yrs Industry Exp

### Investment Objective

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

### Benchmark

MSCI Japan

### Fund Facts

<b>Fund Size</b>	US\$18.1m
<b>Launch Date</b>	1 August 2000
<b>Base Currency</b>	USD
<b>Minimum Investment</b>	US\$2,000,000
<b>Management Fee</b>	Up to US\$5 million 1.0% pa \$5 to \$50 million 0.5% pa Above \$50 million 0.4% pa
<b>Fund Domicile</b>	Ireland
<b>UCITS Qualifying</b>	Yes
<b>Pricing</b>	Daily
<b>Dealing</b>	10am Dublin 5pm Hong Kong
<b>Income Distribution</b>	Accumulated

### Registered For Sale In:

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



# Principal Global Investors Funds

## Japanese Equity Fund - I Class

APRIL 2011

### Fund Management Commentary

#### Market Review

The Japanese equity markets posted positive returns during April with the MSCI Japan Index increasing 0.4%. During the month the telecommunication services, consumer staples, and health care sectors performed the best, while the utilities, industrials, and financials sectors lagged the most.

#### Fund Review

The fund outperformed the MSCI Japan Index during the month. Stock selection in the consumer discretionary, materials, and financials sectors were most effective. However, stock selection in the industrials, consumer staples, and health care sectors were less effective.

At the end of April, the portfolio's overweighted positions included Sky Perfect JSAT Holdings Inc, Nippon Shokubai Co. Ltd., PanaHome Corp., And Kyorin Holdings Inc.

An overweight position in Round One Corp. contributed to the positive performance in the month. Round One is engaged in the leisure business, operating bowling alleys and other indoor facilities. Diversified store locations, closure of large amusement parks and decreased demand for outdoor activities such as travel have all worked in the favour of the company.

An overweight position in Electric Power Development had negative impact on the fund in the month. Electric Power Development, an electric utility company, released an FY3/12 RP estimate of 40 billion yen, 21% lower than consensus forecast.

#### Portfolio Outlook and Strategy

TOPIX was down 2.0% on a local currency basis for the month of April. Japanese market trended lower in the beginning of the month despite weakening Japanese yen on the back of developments taking place at the crippled nuclear plants in Fukushima, including the operator TEPCO dumping radioactive contaminated water into the sea. The severity level of nuclear accident at Fukushima was raised to level 7 by the Japanese government and the news weighed on the stocks in mid-April. Trading volume was low towards the end of the month ahead of the Golden Week holidays and the largest ever month-over-month (mom) decline of March industrial production (-15.3% mom) announced on the 28th had very little impact on the market.

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

### Disclosures

<sup>1</sup>Principal Global Investors, LLC has acted as the investment advisor to the Principal Global Investors Funds since 1 November 2002. Any performance shown prior to this date reflects that of a former subsidiary of the parent company, Principal Financial Group, Inc. 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.

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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 April 2011

### Fund Codes

#### Accumulation Units:

Bloomberg	PIFJEL ID
ISIN	IE0002492126
Lipper	60046197
Valoren	1113033
WKN	987950

### Contact Us

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