

**HIGH YIELD FUND**  
**SIMPLIFIED PROSPECTUS**

Dated 5 October 2009

This Simplified Prospectus contains key information in relation to the High Yield Fund (the Fund), a fund of Principal Global Investors Funds (the Trust). The Fund was authorised on 30 October 2003 and is a sub-fund of the Trust which is an umbrella open-ended unit trust authorised by the Irish Financial Services Regulatory Authority under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulation, 2003, as amended (the Regulations). The Trust currently has ten other funds, namely the Asian Equity Fund, the European Equity Fund, the Emerging Markets Equity Fund, Global Equity Fund, the Japanese Equity Fund, the Preferred Securities Fund, the Strategic Fixed Income Fund, the U.S. Equity Fund, the Global Property Securities Fund and the Global Equity (ex-Japan) Fund. Other funds may be established from time to time.

Potential investors are advised to read the Prospectus of the Trust dated 10 October 2008, the addenda thereto dated 1 April 2009 and 5 October 2009 and the Supplement dated 10 October 2008 in respect of the Fund (the Supplement) (together the Prospectus) before making an investment decision on whether or not to invest in the Fund. The rights and duties of the investor as well as the legal relationship with the Trust are laid down in the Prospectus.

The Fund's base currency is US Dollars.

<b>Investment objective</b>	The investment objective of the Fund is to provide a return consisting of income and, over the long term, capital growth.
<b>Investment policy</b>	<p>The Fund invests primarily in a portfolio of US dollar denominated public and private issued high-yield fixed income securities, such as fixed interest rate corporate bonds. These securities will generally be rated below investment grade. The Fund's investments will be listed/traded on the exchanges and markets listed in Appendix E to the Prospectus, although it is anticipated that the majority will be issued by US and Canadian issuers.</p> <p>The Fund may also invest in real estate investment trusts (REITS) or other REIT-like structures which will be the equivalent of REITS. It may also invest in other Funds of the Unit Trust in order to obtain its objective.</p> <p>The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than 1/3 of the assets of the Fund may be held in ancillary liquid assets or non high yield fixed income securities or instruments. For full details on the Fund's investment policy, please refer to the Prospectus.</p>
<b>Risk profile</b>	<p><b>High Yield Securities Risk:</b> Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.</p> <p><b>Yield and Market Risk:</b> Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.</p> <p><b>Default Risk:</b> Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by in-depth credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.</p> <p><b>Liquidity Risk:</b> The secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond market will be very illiquid. The Fund may have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Units. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less.</p>

When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

The investments of the Fund are subject to normal market fluctuation and other risks inherent in investing in certain securities. There can be no guarantee against loss, nor any assurance that the Fund's investment objective will be attained. The value of the investments and the income from the and therefore the value of and income from the Units in the Fund can fall as well as rise and unitholders may not realise the same amount they invest.

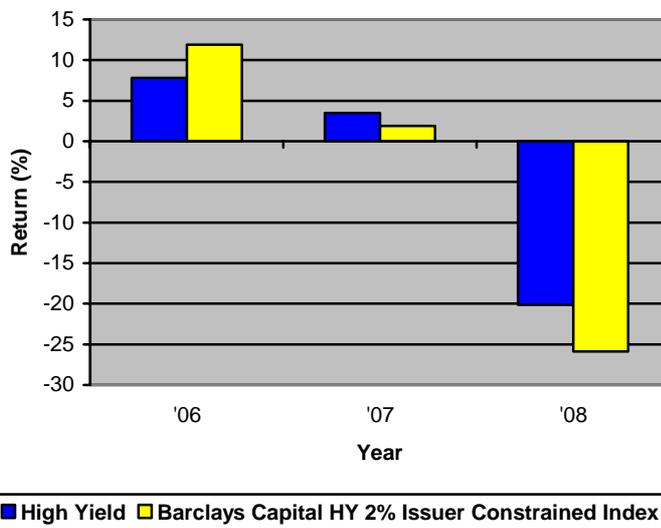
A full description of the risk factors applying to the Fund is set out in the Prospectus.

Certain considerations apply in respect of the units in Hedged Unit Classes stemming from inherent characteristics of the techniques and instruments used to achieve hedging including currency, transaction and credit risk.

**Performance Data of the Fund– I Class Units**

**Inception Date:**  
15 Mar 2004

Annual total return 2006 to 2008



**Average annual return for the period ending 30/06/2009**

**Past 3 years: 2.30%**  
**Past 5 years: 3.80%**  
**Since inception: 3.70%**

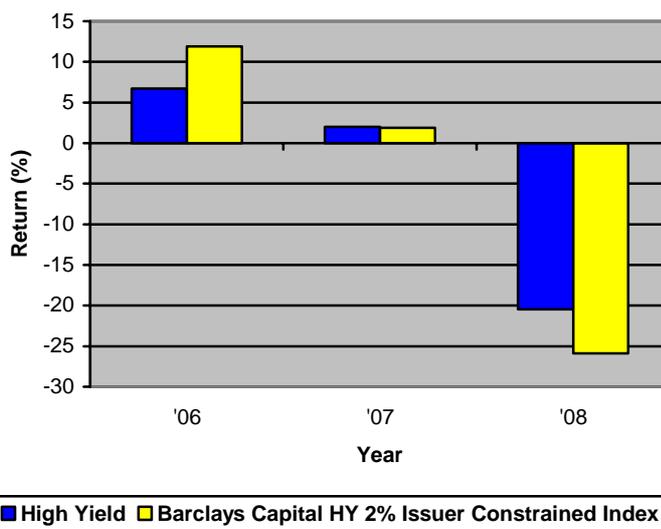
**Please note that the past performance of the Fund is not necessarily an indicator of future performance.**

The graph and table above show the past performance in US Dollars.

**Performance Data of the Fund– A Class Units**

**Inception Date:**  
15 Mar 2004

Annual total return 2006 to 2008



**Average annual return for the period ending 30/06/2009**

**Past 3 years: 1.80%**  
**Past 5 years: 3.00%**  
**Since inception: 2.90%**

**Please note that the past performance of the Fund is not necessarily an indicator of future performance.**

The graph and table above show the past performance in US Dollars.

Performance data does not include subscription and redemption charges and is calculated net of taxes and charges.

<b>Profile of the typical investor</b>	Investment in the Fund is suitable for investors seeking income and long-term capital growth.																																	
<b>Distribution Policy</b>	<p>Accumulation units in the Fund make no declarations of distributions. All income earned proportionately by the unitholders is reinvested within the Fund and reflected in the value of the Accumulation Units.</p> <p>Distributions on the Income Units in the Fund will be declared and paid quarterly within 30 days of the end of each calendar quarter. Such distributions may be paid in cash in which case they will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense. The Manager will otherwise reinvest any net income distribution for further Income units unless distributions can be paid in cash.</p>																																	
<b>Fees and Expenses</b>	<p><b>Unitholders transaction expenses</b></p> <table border="1"> <thead> <tr> <th></th> <th>A Class Units</th> <th>I Class Units</th> </tr> </thead> <tbody> <tr> <td><b>Preliminary charge</b></td> <td>5.00% of the issue price</td> <td>Nil</td> </tr> </tbody> </table> <p><b>Annual operating expenses</b></p> <table border="1"> <thead> <tr> <th></th> <th>A Class Units</th> <th>I Class Units</th> </tr> </thead> <tbody> <tr> <td><b>Management Fees</b></td> <td>1.00 % per annum of the net asset value</td> <td>0.75% per annum of the net asset value</td> </tr> <tr> <td><b>Trustee Fee</b></td> <td>0.02% per annum of net assets (on first US\$100,000,000)</td> <td>0.02% per annum of net assets (on first US\$100,000,000)</td> </tr> <tr> <td></td> <td>0.01% per annum of net assets (over US\$100,000,000)</td> <td>0.01% per annum of net assets (over US\$100,000,000)</td> </tr> <tr> <td><b>Administration Fee</b></td> <td>Up to 0.15% per annum of the net asset value of the Units</td> <td>Nil</td> </tr> <tr> <td><b>Total Expense Ratio</b> charged to the Fund (as at 30 Sept, 2008)</td> <td>A Class Units: 1.35%</td> <td>I Class Units: 0.95%</td> </tr> <tr> <td>Historical information in relation to the total expense ratio can be obtained from the Administrator, details of which are set out below</td> <td></td> <td></td> </tr> <tr> <td><b>Portfolio Turnover Rate</b></td> <td colspan="2">138.97%</td> </tr> <tr> <td>Historical information in relation to the Portfolio Turnover rate is available from the Administrator.</td> <td></td> <td></td> </tr> </tbody> </table> <p>Historical information in relation to the portfolio turnover rate is available from the Administrator. The Manager may waive or reduce the preliminary charge and/or management fee at its absolute discretion. Please refer to the Prospectus under the heading <b>Charges and Expenses</b> for further details of the fees and expenses.</p>		A Class Units	I Class Units	<b>Preliminary charge</b>	5.00% of the issue price	Nil		A Class Units	I Class Units	<b>Management Fees</b>	1.00 % per annum of the net asset value	0.75% per annum of the net asset value	<b>Trustee Fee</b>	0.02% per annum of net assets (on first US\$100,000,000)	0.02% per annum of net assets (on first US\$100,000,000)		0.01% per annum of net assets (over US\$100,000,000)	0.01% per annum of net assets (over US\$100,000,000)	<b>Administration Fee</b>	Up to 0.15% per annum of the net asset value of the Units	Nil	<b>Total Expense Ratio</b> charged to the Fund (as at 30 Sept, 2008)	A Class Units: 1.35%	I Class Units: 0.95%	Historical information in relation to the total expense ratio can be obtained from the Administrator, details of which are set out below			<b>Portfolio Turnover Rate</b>	138.97%		Historical information in relation to the Portfolio Turnover rate is available from the Administrator.		
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<b>Taxation</b>	The Fund will only be subject to tax on certain chargeable events in respect of unitholders who are Irish residents. If a unitholder is not an Irish resident at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that unitholder. Unitholders should consult their professional advisers in relation to the taxation treatment of income and/or capital gains for their own individual situation.																																	
<b>Publication of Unit Price</b>	The net asset value per unit will be published daily in the South China Morning Post and in such other publications as the Manager may decide from time to time, details of which can be found at <a href="http://www.principalglobalfunds.com">www.principalglobalfunds.com</a> .																																	
<b>How to buy/sell Units</b>	Applications to purchase, sell or switch units should be sent to the Administrator or the Hong Kong Representative by mail or facsimile before the dealing deadline for each dealing day, further details of																																	

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<b>Additional Important Information</b>	Directors of the Manager:	David Kingston David Shubotham Barbara McKenzie Nicholas Lyster Denis Murphy Ned Burmeister						
	Promoter and Investment Adviser	Principal Global Investors, LLC.						
	Manager:	Principal Global Investors (Ireland) Limited.						
	Trustee:	Citibank International plc, Ireland Branch.						
	Administrator:	Citi Fund Services (Ireland) Limited						
	Auditors:	PricewaterhouseCoopers.						
	Supervisory Authority:	Irish Financial Services Regulatory Authority.						
	Listing:	Application has been made to the Irish Stock Exchange for all the units in the Fund to be admitted to the Official List.						
	Additional information and copies of the full Prospectus and the latest annual and semi-annual report and accounts may be obtained free of charge from the Administrator at 1 North Wall Quay, Dublin 1, Ireland at Tel: +353 1 622 2000 or Fax: +353 1 622 2222 or the head office of the Manager at 1 North Wall Quay, International Financial Services Centre, Dublin 1, Ireland.							