

GLOBAL PROPERTY SECURITIES FUND

SIMPLIFIED PROSPECTUS

Dated 2 January 2008

This Simplified Prospectus contains key information in relation to the Global Property Securities Fund (the “Fund”), a fund of Principal Global Investors Funds (the “Trust”). The Fund was authorised on 17 April 2007 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 High Yield Fund, the Japanese Equity Fund, the Global Multi-Sector Bond Fund (subscriptions are no longer accepted for this fund and an application will be made to the Financial Regulator for its approval to be withdrawn), the Strategic Fixed Income Fund, Preferred Securities Fund and the U.S. Equity Fund. Other funds may be established from time to time.

Potential investors are advised to read the Prospectus of the Trust dated 22 January 2007 and the Supplement dated 2 January 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.

Investment objective	The investment objective of the Fund is to seek to provide a total return primarily through investment in a portfolio of global property securities.
Investment policy	<p>The Fund will seek to achieve its objective by investing primarily in a global portfolio of publicly traded securities of companies engaged in the property industry whose value is largely derived from property assets. The Fund’s investment universe will include real estate investment trusts (REITs) or real estate operating companies (REOCs) in the United States, and REOC or REIT like structures in other areas of the world. A REIT is established as a trust or partnership structure which uses pooled capital of many investors to purchase and manage income property and/or mortgage loans. They are granted special tax exemptions, not being taxed at the company level but they must distribute at least 90% of their taxable income to investors. REOCs also invest in income property and/or mortgages and loans but are structured as companies and are taxed like any other corporation and have no mandatory dividend distribution requirements. Both REITs and REOCs are tradable on major markets and exchanges as securities. The investment in REITs and REOCs will not affect the Funds ability to provide redemption facilities. The Fund intends that not less than 80% of the Fund will be invested in REITs and REOCs.</p> <p>The Fund may also invest in equity and debt securities of companies that at the time of investment have at least 50% of their assets, income or profits derived from products or services related to the global property industry. Debt securities that the Fund invests in such as fixed and/or floating corporate bonds are limited to those issued by property security companies such as REOCs and may or may not be of investment grade.</p> <p>The Fund may invest in common and preferred equity securities, debt securities, options, warrants (up to 5% of the Fund), convertible securities, exchange traded funds (ETFs), and depository receipts and other related securities. The Fund may utilise derivative instruments for the hedging of active currency exposures and other risk management objectives.</p> <p>The Fund may also hold ancillary liquid assets such as bank deposits. However, no more than 25% of the assets of the Fund may be held in aggregate in ancillary liquid assets. In normal operating environments the amount of ancillary liquid assets is not expected to exceed 10% of the Fund’s assets.</p> <p>At least 90% of the securities acquired by the Fund will be traded or listed on the exchanges or markets set out in Appendix E to the Prospectus.</p> <p>For full details of the Fund’s investment policy please refer to the Prospectus.</p>

Risk profile	<p>The Fund will invest primarily in securities issued by companies whose activities are real estate related. Risks associated with investing in securities of companies in this industry include the following:-Declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning law, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants and increases in interest rates.</p> <p>In addition, equity REITs may be affected by changes in the value of the underlying property owned by the trust, while mortgage REITs may be affected by the quality of credit extended. Equity and mortgage REITs are dependent upon management skills, may not be diversified and are subject to the risks of financing projects.</p> <p>Such trusts are also subject to heavy cash flow dependency, defaults by borrowers, self-liquidation and the possibility of failing to qualify for tax-free pass-through of income under the U.S. Internal Revenue Code of 1986, as amended, and to maintain exemption from the U.S. Investment Trust Act of 1940, as amended.</p> <p>The ability to trade REITs in the secondary market can be more limited than other stocks. The liquidity of REITs on major US stock exchanges is on average less than the typical stock quoted on the S&P 500 Index.</p> <p>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 them, 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.</p> <p>A full description of the risk factors applying to the Fund is set out in the Prospectus.</p> <p>Additional risk considerations are also applicable to the use of the Asset Replication Strategy and the Hedged Unit Classes and investors' attention is drawn to the relevant information pertaining to the situation set out in the Prospectus under the relevant headings in the SPECIAL INVESTMENT CONSIDERATIONS AND RISKS section.</p>		
Profile of the typical investor	Investment in the Fund is suitable for investors seeking income and long-term capital growth.		
Distribution Policy	<p>Accumulation units in the Fund make no declarations or distributions. All income earned proportionately by the Accumulation Unitholders is reinvested within the Fund and reflected in the value of the Accumulation Units.</p> <p>Distributions on the Income Units 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>		
Fees and Expenses	Unitholders transaction expenses		
		Investor Class Units	Institutional Class Units
	Preliminary charge	5.00% of the issue price	Nil
	Annual operating expenses		
		Investor Class Units	Institutional Class Units
	Management Fees	1.50% per annum of the net asset value	1.00% per annum of the net asset value (0 to \$5 million) 0.85% per annum of the net asset value (\$5 to \$50 million)

			0.65% per annum of the net asset value (over \$50 million)
	Trustee Fee	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)	0.02% per annum of net assets (on first US \$100,000,000) 0.01% per annum of net assets (over US\$100,000,000)
Taxation	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.		
Publication of Unit Price	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 www.principalglobalfunds.com .		
How to buy/sell Units	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 which are provided in the Prospectus.		
		Investor Class Units	Institutional Class Units
	Minimum Initial Subscription	US\$10,000	US\$2,000,000
	Minimum Additional Investment Amount	US\$1,000	US\$500,000
	The Manager may waive or reduce these minimum amounts at its absolute discretion		
Additional Important Information	<p>Directors of the Manager: David Kingston David Shubotham Barbara McKenzie Nicholas Lyster Julia Lawler Denis Murphy</p> <p>Promoter and Investment Adviser: Principal Global Investors, LLC.</p> <p>Sub-Investment Adviser: Principal Real Estate Investors, LLC Principal Global Investors (Australia) Ltd Principal Global Investors (Europe) Ltd</p> <p>Manager: Principal Global Investors (Ireland) Limited.</p> <p>Trustee: Citibank International plc, Ireland Branch.</p> <p>Sponsoring Broker: A&L Listing Limited</p> <p>Administrator: Citibank Europe plc.</p> <p>Auditors: PricewaterhouseCoopers.</p> <p>Supervisory Authority: Irish Financial Services Regulatory Authority.</p> <p>Listing: Application has been made to list all the classes of units in the Fund on the Irish Stock Exchange and it is expected that this will occur on or around the end of the initial offer period for each class of unit.</p> <p>Additional information and copies of the full Prospectus and the latest annual and semi-annual</p>		

	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.
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