

EUROPEAN EQUITY FUND

SIMPLIFIED PROSPECTUS

Dated 10 March 2010

This Simplified Prospectus contains key information in relation to the European Equity Fund (the Fund), a fund of Principal Global Investors Funds (the Trust). The Fund was authorised on 13 October 1992 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 Global Property Securities Fund, the Asian Equity Fund, the Global Equity Fund, the Emerging Markets Equity Fund, U.S. Equity Fund, the Japanese Equity Fund, the Preferred Securities Fund, the Strategic Fixed Income Fund, the High Yield 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 March 2010 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 capital growth over the medium to long term.
Investment policy	<p>The Fund invests principally in the equity securities of companies domiciled or with their core business in Europe (including Eastern Europe), which the Adviser believes are mispriced by the market and have the potential for significant growth.</p> <p>The Fund may also invest in debt securities issued by companies in which the Fund can purchase equity securities in order to achieve its objective.</p> <p>The Fund can invest in both listed and unlisted equity securities, with a level of 10% of the net assets of the Fund permitted in unlisted securities. 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, and a range of non-equity securities including fixed interest and money market securities (such as government bonds and bank bills). However no more than 1/3 of the net assets of the Fund may be held in aggregate in ancillary liquid assets, non-equity securities and/or invested outside of Europe.</p> <p>The Fund may hold investments from time to time which are listed or traded in Russia. It is not anticipated that such investments will normally constitute a substantial element of the Fund and shall not in any event exceed 15% of the net assets of the Fund.</p> <p>For full details on the Fund's investment policy, please refer to the Prospectus.</p>
Risk profile	<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>Performance Data of the Fund-I Class Units</p> <p>Inception Date: 24 Nov 1992</p>	<p>Annual Total Annual total return 1997-2009</p> <table border="1"> <caption>Annual Total Annual total return 1997-2009</caption> <thead> <tr> <th>Year</th> <th>European Equity (%)</th> <th>MSCI Europe (%)</th> </tr> </thead> <tbody> <tr><td>'97</td><td>28</td><td>25</td></tr> <tr><td>'98</td><td>32</td><td>28</td></tr> <tr><td>'99</td><td>35</td><td>18</td></tr> <tr><td>'00</td><td>-15</td><td>-10</td></tr> <tr><td>'01</td><td>-25</td><td>-20</td></tr> <tr><td>'02</td><td>-15</td><td>-20</td></tr> <tr><td>'03</td><td>38</td><td>38</td></tr> <tr><td>'04</td><td>22</td><td>20</td></tr> <tr><td>'05</td><td>15</td><td>10</td></tr> <tr><td>'06</td><td>38</td><td>35</td></tr> <tr><td>'07</td><td>12</td><td>15</td></tr> <tr><td>'08</td><td>-45</td><td>-45</td></tr> <tr><td>'09</td><td>30</td><td>35</td></tr> </tbody> </table>	Year	European Equity (%)	MSCI Europe (%)	'97	28	25	'98	32	28	'99	35	18	'00	-15	-10	'01	-25	-20	'02	-15	-20	'03	38	38	'04	22	20	'05	15	10	'06	38	35	'07	12	15	'08	-45	-45	'09	30	35	<p>Average annual return for the period ending 31/12/2009</p> <p>Past 3 years: -8.0% Past 5 years: 4.2% Since inception: 11.7%</p> <p>Please note that the past performance of the Fund is not necessarily an indicator of future performance.</p> <p>The graph and table above show the past performance in US Dollars.</p>
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Performance data does not include subscription and redemption charges and is calculated net of taxes and charges.

Profile of the typical investor Investment in the Fund is suitable for investors seeking capital growth over medium to long term.

Distribution Policy Accumulation units in the Fund make no declarations or distributions. All income earned proportionately by the unitholders is reinvested within the Fund and reflected in the value of the Accumulation Units.

Distributions on 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 reinvest any net income distribution for further Income units unless distributions can be paid in cash.

Fees and Expenses	Unitholders transaction expenses		
	Preliminary charge	A Class Units	I Class Units
		5.00% of the issue price	Nil
	Annual operating expenses		
	Management Fees	A Class Units	I Class Units
		1.50% of the net asset value	1.00% of the net asset value up to the first US\$5 million, 0.50% of the net asset value from US\$5 million to US\$50 million and 0.40% of the net asset value over US\$50 million
	Trustee Fee	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)
	Administration Fee	Up to 0.15% per annum of the net asset value of the Units	Nil
	Total Expense Ratio charged to the Fund (as at 30 Sept, 2009)	A Class Units: 1.83%	I Class Units: 1.18%
Historical information in relation to the total expense ratio can be obtained from the Administrator, details of which set out below			
Portfolio Turnover Rate	154.99%		
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 Charges and Expenses for further details of the fees and expenses.			
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 such other publication 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 on a dealing day, further details of which are provided in the Prospectus.		
	Minimum Initial Subscription	A Class Units	I Class Units
		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	Directors of the Manager:	David Kingston David Shubotham Barbara McKenzie Nicholas Lyster Denis Murphy Ned Burmeister
	Manager:	Principal Global Investors (Ireland) Limited.
	Promoter and Investment Adviser:	Principal Global Investors, LLC.
	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.		